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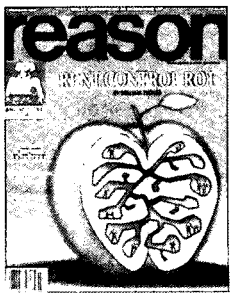

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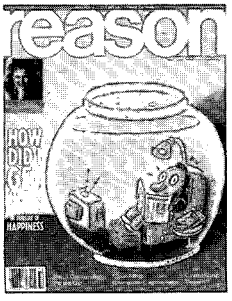

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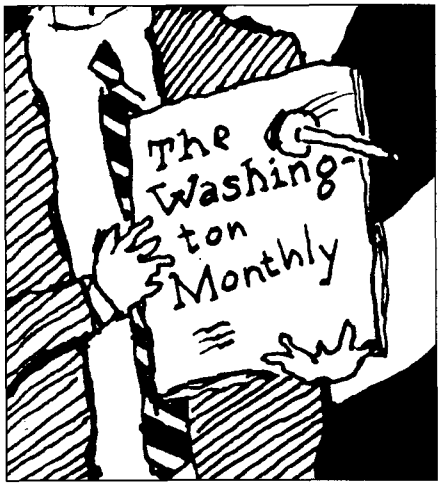

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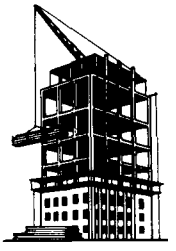

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SEX, RELIGION, AND ART POLITICS

VIRGINIA I. POSTREL

One side calls it censorship. The other says it's fiscal responsibility. There is some truth in both claims.

Ever since word got out that federal funds were going to sponsor art exhibits featuring "Piss Christ" (a photo by Andres Serrano of a crucifix in urine) and the sexually explicit photographs of Robert Mapplethorpe, Congress has been in an uproar. After considering larger cuts, the House responded to the flap by docking the National Endowment for the Arts a token $45,000—the amount spent on the offending exhibits.

And, as the term ended, the Senate overwhelmingly passed a bill sponsored by Jesse Helms (R-N.C.) that would forbid the NEA from funding "obscene or indecent materials...material which denigrates the objects or beliefs of the adherents of a particular religion or nonreligion; or material which denigrates, debases, or reviles a person, group, or class of citizens on the basis of race, creed, sex, handicap, age, or national origin." The bill also cuts off all federal funding for five years from the two museums that mounted the controversial exhibits.

Supporters of the Helms bill argue, quite convincingly, that Congress is merely exercising an art patron's perogative to decide which works to fund. "I don't care if this guy wants to produce a thousand of these things—just don't do it with taxpayers' money," Sen. Alfonse D'Amato (R-N.Y.) said of Serrano's photo.

The arts community has reacted with breathtaking self-righteousness. In a particularly egregious L.A. *Times* op-ed article, representatives of the writers' group PEN compared the Helms bill both to McCarthyism and to the Ayatollah Khomeini's death sentence against Salman Rushdie. They invoked the threat of "disappearances, gulags and massacres in public squares."

This is ridiculous. Just because Congress has gotten a little tighter with the dough does not mean tanks will start rolling through Greenwich Village. Nobody is saying Serrano has to stop immersing things in his bodily fluids—only that we shouldn't be taxed to pay for said "art."

Still, the senators are very definitely trying to favor some kinds of art at the expense of others—and, more particularly, to discourage museums from exhibiting work the politicians don't like. While it doesn't constitute true censorship, this distortion is disturbing. The Helms bill, with its provisions punishing the two offending museums, has already had a chilling effect.

Because of the political brouhaha, the Corcoran Gallery, a private museum in Washington, D.C., cancelled a planned exhibit of Mapplethorpe's photographs. The exhibit would have been entirely funded by private donors, but the museum is not. It receives money from the NEA and no doubt wants to continue doing so. It has every reason to believe that showing Mapplethorpe's work—even without benefit of taxpayer subsidy—would significantly reduce its chances of future grants.

What, then; should Congress do about the NEA? The endowment's acting chairman, Hugh Southern, has an excellent suggestion, though not one he would like us to take seriously: "My own personal view is that it would be better that there be no National Endowment for the Arts than that we become the 'National Endowment for Nice Art,' which is clearly the intent of this amendment."

We should get rid of the NEA. It is not true, as is so often assumed in American politics, that everything good—or everything permitted—must be subsidized. Art, like religion or the press, depends on freedom of thought and expression. Government cannot subsidize art without favoring some works over others and occasionally punishing unpopular expressions. Only separation of art and state can foster artistic freedom.

Nor has the public been well served by tax-supported arts programs. The NEA exists to take money from the masses and give it to elites, including small-town elites. (Porkbarrel politics play a major role in spreading the bucks around the country.) The endowment is based on the fundamental premise that the public, which would rather spend its arts money on movies and recordings and coffee-table books, just doesn't know what's good for it.

It is also based on the political truth that if you take a tiny bit of money from a large group of people and give it to a small group, the small group will reward you and the large group won't notice. That's why we keep being told that the NEA costs each of us only about 68 cents a year.

With this latter truth in mind, the NEA promised art institutions what every nonprofit manager wants: a major donor who will lend support with the impersonal

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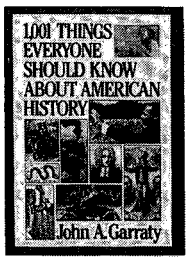

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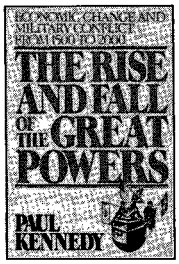

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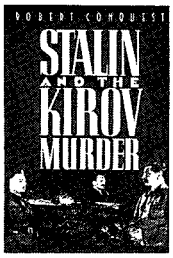

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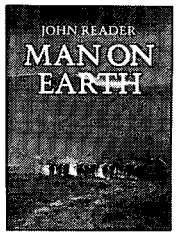

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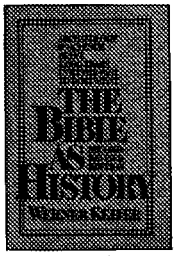

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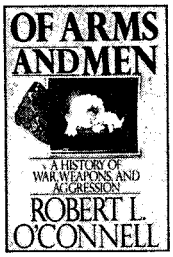

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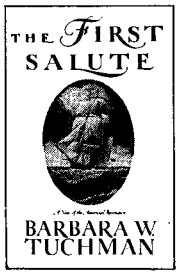

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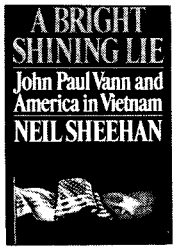

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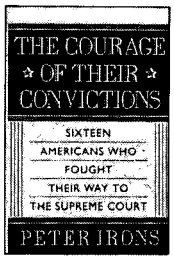

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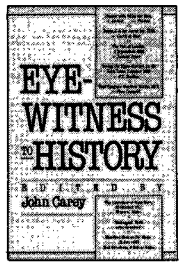

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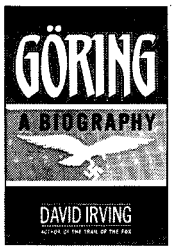

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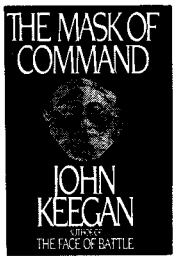

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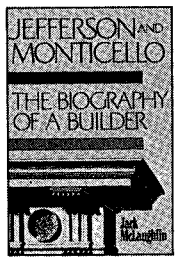

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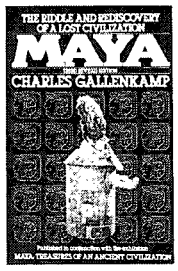

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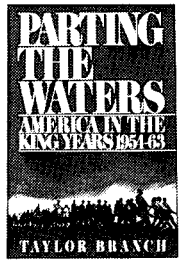

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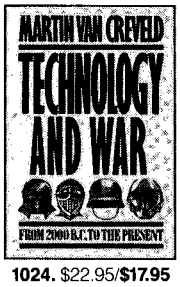

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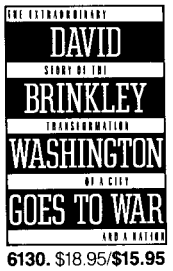

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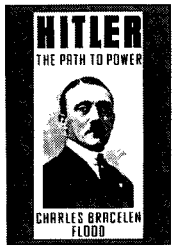

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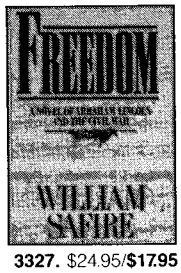

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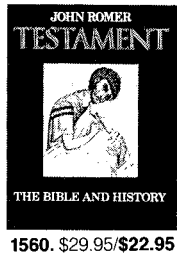

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generosity of a consumer buying soap. Good art would get money simply because it was good—no strings attached.

But it's none too easy to determine what constitutes "good art." The question is a matter of constant discussion within the arts community, which has bullied an insecure public into submission on most questions of taste. That's why only a handful of NEA grants have ever been challenged. It takes a bold Philistine, or an enraged fundamentalist, to attack the elites who determine what is art.

And the NEA has gone out of its way to defuse populist criticism by funding all sorts of kitschy folk art and funneling money into obscure institutions in small towns. It has not resolutely fostered excellence but, rather, has built a nationwide constituency for government arts subsidies.

The arts in this country are flourishing; and not because of subsidies. American artists who rely on clients for support, notably architects and designers, are recognized as the best in the world. There is a strong market for the visual arts, including contemporary works. Americans spent $4.6 billion last year on movie tickets and $6.3 billion on musical recordings. Rock and jazz will be around when John Cage and Milton Babbitt are forgotten.

But we have defined "high art," real art, as art that can't survive without subsidies. To make matters worse, the arts community has fixated on live performances and original artworks—the least accessible forms of art, because they can only be in one place at one time. Subsidies encourage this preference, since these forms are also quite expensive.

But is the public really better served by original, but forgettable, paintings hung in small-town museums than by fine reproductions of Michelangelo or Rothko? Are mediocre local symphonies truly worth subsidizing when music lovers can buy great performances recorded on compact disks? Wouldn't it be better to make movies of ballets than to subsidize performances that give a few hundred people the chance to see dancers who appear to be six inches tall?

In the absence of subsidies, people would still want art. They just wouldn't necessarily want the art the NEA wants them to want. And that, not blasphemy or sex, is what's wrong with the NEA.

A CAPITAL IDEA

CHARLES OLIVER

If America is serious about competing in the world economy, it must cut its high capital cost. The cost of capital in the United States is now about three times that of Japan and almost double that of West Germany.

One way to reduce the cost of capital is to reduce the capital gains tax. This was proposed as a campaign issue last year by George Bush, and the idea has picked up the support of some Democratic members of Congress. But the House Democratic leadership has decided to play politics with the issue, deriding Bush's proposal as a tax cut for the rich.

In July, House Ways and Means Committee Chairman Dan Rostenkowski said he opposed the cut for one reason: "I'm a Democrat." Majority Leader Richard Gephardt and House Speaker Tom Foley were less cryptic. They argued that a capital gains tax cut would be unfair because it would make the rich richer. "This is an issue that describes a vast difference between the two parties at a time when the gap is widening between the rich and the poor," said Gephardt.

Despite the populist, class-warfare rhetoric of Rostenkowski, Foley, and Gephardt, the capital gains tax cut is not a rich-versus-poor issue. The middle class also suffers when the gains tax is too high. A cut will relieve the burden on the middle class, as well as on the wealthy. And the resulting economic expansion will benefit everyone.

For decades, economists have studied the effects of capital gains taxation. Although there is some disagreement on particulars, there is a general consensus that a low gains tax encourages greater savings and investment by increasing the return on investment. Increased investment stimulates business formation, job growth, and economic activity. Significantly, those countries that are considered models of economic growth—Japan, Hong Kong, Taiwan, and South Korea—do not tax capital gains at all.

At home, experience confirms the benefits of a low tax. In 1968, Congress increased the gains tax. The result was a capital drought and a drop in the formation of new companies. In 1978, the rate was cut. The result was an explosion of new companies.

Still, the Democratic leadership ignores an opportunity to enlarge the economic pie, preferring instead to divide what is already there. They seem to fancy themselves modern-day Robin Hoods, taking from the rich to give to the poor. But Gephardt, Foley, and Rostenkowski have a strange definition of rich.

Every time someone sells a farm or a business or stock in a company, she has to pay tax on the capital gain. Tax data show that about 21 percent of all gains are realized by taxpayers with less than $10,000 in wages and ordinary income—mostly retirees cashing in their lifetime savings. An additional 24 percent of all gains are realized by persons with incomes between $10,000 and $50,000.

These are hardly wealthy people. The dishonest claim that the wealthy are the prime beneficiaries of capital gains is based on a definition of rich that includes the capital gain. In other words, if a farmer sells his farm, the capital gain might swell his income to $100,000 or more that year; Foley and Gephardt want to call him rich, even though the farmer's yearly income before and after the sale would make him middle class.

While their leaders railed against the rich, some rank-and-file Democratic

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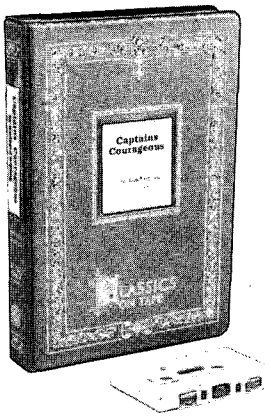

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members of Congress took the unusual step of actually talking to voters. They found that middle-income taxpayers are being hit hard by the tax.

"Of course there are wealthy people who are going to benefit. But the people I hear from are the people who have a gain from the sale of a farm or small business. They now pay 33 percent in capital gains to the federal government, and then about 15 percent to the state," said Rep. Ed Jenkins (D-Ga.). Jenkins and five other Democratic members of the Ways and Means Committee joined the committee's 13 Republicans in support of a bill to cut the top rate on capital gains from 33 percent to 19.6 percent and to index gains for inflation.

At first, Rostenkowski and Foley berated Jenkins and the others for un-Democratic behavior. But Rostenkowski saw that he might not have the votes to defeat a tax cut and offered a compromise. This plan would index capital gains, exempting from taxation any rise in value due to inflation.

To encourage long-term investment, the plan would also let anyone who held an asset for five years choose to pay tax on only 75 percent of the sale price, as an alternative to indexing. For assets held 10 years or more, the investor could pay tax on only 50 percent of the price.

Rostenkowski's plan would apply only to investments made after it becomes law, thereby favoring new investment. Gains on assets purchased earlier would not be indexed. Critics note that spurring new investment is only one goal of a tax cut. Easing the burden on taxpayers is also important.

Still, the fact that Rostenkowski is willing to compromise gives hope that both sides can hammer out an agreement that will at least index gains and reduce the tax rate for long-term investment. And that will be good for taxpayers and the economy.

DISPLAY OF ARROGANCE

JACOB SULLUM

After taking two cracks at it in recent years, the Supreme Court has yet to resolve the issue of government-sponsored religious displays. In fact, the two decisions were so inconclusive that the Court may hear yet another such case during the term that begins October 2.

The Court's approach invites continued controversy because it offers no coherent principle for judging the propriety of state action. In 1984, the Court found that a nativity scene displayed by the city of Pawtucket, Rhode Island, in a privately owned park did not run afoul of the First Amendment's Establishment Clause. This year, the justices decided that a crèche inside the Allegheny County (Pa.) Courthouse *did* violate the separation of church and state. At the same time, they approved the display of a large Chanukah menorah in front of the City-County Building a block away.

On the surface, the distinctions at work here are difficult to understand. Upon closer analysis, however, they are impossible to fathom.

Crucial to the Court's argument, which draws on the well-known Santa Clause, is the notion that certain religious symbols are not religious symbols, while others are—at least, under certain circumstances. Thus, the crèche in Pawtucket, while undeniably religious in and of itself, was rendered acceptable by the presence of "secular symbols" such as a Christmas tree and a Santa Claus house. The Pittsburgh crèche, on the other hand, occupied a prominent place on the grand staircase of the county courthouse and was not accompanied by any neutralizing objects. The menorah, by contrast, was juxtaposed with a Christmas tree, which acted like a giant air freshener, soaking up all the religious vapors in the neighborhood.

Justice Blackmun, author of the majority opinion in the Allegheny County case, explains the phenomenon this way: "The Christmas tree, unlike the menorah, is not itself a religious symbol. Although Christmas trees once carried religious connotations, today they typify the secular celebration of Christmas. Numerous Americans place Christmas trees in their homes without subscribing to Christian religious beliefs....The widely accepted view of the Christmas tree as the preeminent secular symbol of the Christmas holiday season serves to emphasize the secular component of the message communicated by other elements of an accompanying holiday display."

To a non-Christian, this sort of talk is baffling. Christmas is, after all, a religious holiday, celebrating the birth of Jesus Christ, whom his followers believe to be the Messiah and the Son of God. Any symbol of Christmas is, by definition, a religious symbol. The fact that some people celebrate Christmas without accepting its theological basis does not make the holiday, or its symbols, secular.

One suspects that what the justices really mean is that everybody, more or less, celebrates Christmas, so what's the big deal? It is, perhaps, natural for members of a majority group to conceive of their customs as universal. This assumption is apparent, for example, in the Court's repeated references to "the winter-holiday season." As Justice Brennan recognized in his partial dissent, it is only the Christians who have a "winter-holiday season." Chanukah is a minor Jewish holiday, publicly recognized merely because of its proximity to Christmas. Attempts to appease critics of government-supported Christmas displays by adding Chanukah symbols make a mockery of the Jewish calendar, while ignoring every other religious (and non-religious) group.

It is precisely this sort of arrogance that the Establishment Clause was meant to keep in check. Scrupulous government neutrality in matters of religion would not only prevent the use of state power to promote one belief system over another, it would also avoid a lot of silly legal reasoning.

What Can You Do About New Study Which Calls U.S. Teens 'Economic Illiterates'?

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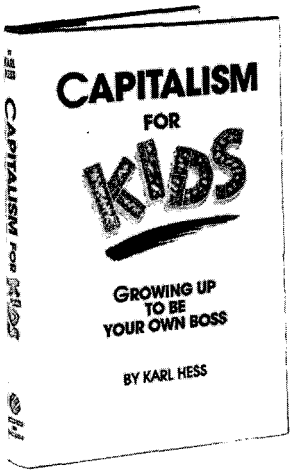

It's shocking.

U.S. high school students demonstrate an appalling lack of knowledge about economics, according to recent studies.

A report sponsored by the Joint Council on Economic Education stated that overall, typical high school students correctly answered only 40% of the questions on a standardized multiple choice test on economics.

Professor William B. Walsted, one of the authors of the study, said "Our schools are producing a nation of economic illiterates."

Paul Volcker, former Chairman of the Federal Reserve, said, "The news is not good if you believe that a basic understanding of our economic system is important for our country to be effective in what everyone realizes is a period of global competition."

Mr. Volcker said economic education should focus on simple concepts such as how markets work, how wealth is created, and how prices are determined.

A remarkable new book does this and more. *Capitalism For Kids* by Karl Hess, teaches practical business economics to kids in the 9-19 age group. The concepts in the book should be taught in every public school. But they are not.

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Capitalism For Kids *can really get your child or grandchild excited about the free enterprise system."*

Mark Skousen, Editor
Forecasts & Strategies

About The Author

Karl Hess is an entrepreneur, former editor at Newsweek and author of six books. He writes with conviction about how and why applying the principles of free enterprise lead to independence and success.

Kids Success Stories

Heather Brackeen and Stacey Smit, both 11, of Albuquerque, NM opened their own shop called the Weaving Loom. They specialized in hand woven items such as scarves, placemats, purses, and pot holders.

Javier Corral Jurado, of Ciudad Juarez, Mexico, at the age of 13 was the founder, reporter, photographer, editor, ad salesman and publisher of *El Chisme,* "The Gossip". His newspaper is published every 2 weeks for 1500 readers.

At 15, Robert Lewis Dean borrowed $1,500 from his parents, bought a 1972 Cadillac and fixed it up then sold it at a profit. That was the beginning of his career that has included starting a business at age 16, selling it for $100,000 and starting other businesses dealing with limousines.

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LETTERS

Space to Be Free

Of course the government-funded space program had dubious goals and was ill-managed, costly, and poorly designed ("Why Did We Go to the Moon?", July). Isn't that inevitable when the government gets involved? But to conclude, as T.A. Heppenheimer apparently does, that because Apollo was a failure manned space flight is a joke, is absurd.

One reason space flight (manned and unmanned) has languished is its appalling cost. But that cost is mostly a contrived one. There are at least three technologies (laser-launch, electromagnetic rail-launch, and ram-jet launch) that would be vastly cheaper than the current one-shot, throw-away-rocket technique. It is the cozy monopoly created by NASA, the Defense Department, and the defense industry that is preventing the development of these alternative approaches.

Heppenheimer's claim that manned space flight is and will always be utterly useless and an example of hubris shows a pathetic lack of vision. Freedom (economic and political) is not the inevitable state of mankind. It is, in fact, terribly fragile. Our current situation, characterized by decreasing resources and an increasing population, is clearly tending toward more and more regulations, less and less liberty, and an ever-growing state. The only solution to this trend that seems at all possible is space travel. Only the exploration, exploitation, and colonization of space (the "science fiction" concepts sneered at by Heppenheimer) can provide the physical and mental vistas that freedom needs.

Steven Johnson
Renton, WA

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In Defense of the Boss

Stephen Chapman, in his review of *The Boss: J. Edgar Hoover and the Great American Inquisition* by Athan G. Theoharis and John Stuart Cox ("Man Most Feared," July), brings a carload of ignorance, distortion, and falsehood to his task.

It would take more space than a letter to the editor allows to take up all the errors and distortions in Chapman's review and in his quotation from the book. But for starters: "Trampling on constitutional freedoms is the consistent theme of [Hoover's] service in government," Chapman writes. Perhaps he was in knee pants when Morris Ernst, who devoted his legal career to the defense of human rights and was the guru of the American Civil Liberties Union, wrote his cogent and dramatic article analyzing the record of J. Edgar Hoover and the FBI on constitutional freedoms. In that article, which appeared at the height of liberal and left-wing criticism of the bureau, he demonstrated conclusively that the allegations so maliciously tossed about were simply hogwash—and that in fact Hoover and the FBI had an exemplary record.

Does Chapman know that J. Edgar Hoover was the only federal official who opposed throwing Japanese-Americans into concentration camps after Pearl Harbor—or that the champion of this blot on FDR's record was none other than that sterling liberal, then–Attorney General Earl Warren of California? It took courage in those hysterical times to oppose this emulation of Nazism, but Hoover had it. As to the Palmer raids—

Chapman & Co. might do a little research on them and on Hoover's role.

Chapman also perpetuates malicious error when he writes that "Hoover also got approval to compile a list of people who might warrant 'custodial detention'" during World War II. For the information of Chapman and your readers, this was not during World War II but during the early 1950s—and Hoover did not get "approval" but was ordered to prepare such a list by the Congress of the United States in legislation introduced by Sen. Hubert Horatio Humphrey.

Hoover, moreover, opposed bugging Martin Luther King, Jr., but was ordered to do so by Attorney General Robert F. Kennedy. Hoover was astute enough to insist on a signed order from Bobby Kennedy—an order produced and published when efforts were made by Bobby and the likes of Stephen Chapman to place the blame on Hoover.

Chapman quotes the authors of this fictional account of Hoover's life: "Beginning in 1941, virtually every American radical group active in the 1940s and thereafter was the target of an FBI tap, bug, or both." Would Chapman care to make a large bet that he cannot document this statement? If so, he's got a taker. And it may be of interest that the FBI did not begin its infiltration of the Communist Party until it was ordered to do so by Franklin Delano Roosevelt, who was, Chapman should be informed, the president of the United States.

As Arthur Schlesinger, Jr., once admitted, it is easy to write "history" about people who are no longer around to defend themselves. A publication like REASON should bear this in mind when it assigns a book to so error-prone a reviewer.

Ralph de Toledano
Washington, DC

Mr. de Toledano is the author of J. Edgar Hoover: The Man in His Time. *—Eds.*

Mr. Chapman replies: I can't be the only person grateful to Ralph de Toledano for clearing up the lingering mystery over the identity of Franklin D. Roosevelt. I'm also pleased to report that I am innocent of his most damaging accusation: I wasn't in knee pants when Morris Ernst's article was published, because it appeared before I was born. On his other points, de Toledano is equally well informed.

Does he deny that Hoover drew up a list of people for possible custodial detention during World War II? The program continued into the 1950s, but it began in June 1940 when Hoover sent a memo to Attorney General Robert Jackson raising the idea of "a suspect list of individuals whose arrest might be considered necessary in the event the United States becomes involved in war." Theoharis and Cox provide copious documentation, which de Toledano is welcome to refute if he can.

He puts all the blame on Robert Kennedy for the electronic surveillance of Martin Luther King, Jr. While I hate to be accused of excessive generosity to any member of the Kennedy family, Hoover's own assistant director for domestic intelligence, William Sullivan, said later that the impetus for the bugging came from Hoover and that Kennedy agreed only after years of lobbying by the director.

I have not personally inspected the list of the thousands of radical groups tapped and bugged by the agency, which Theoharis and Cox got with a Freedom of Information request. If de Toledano has, maybe he can provide an even longer list of radical groups that were not subjected to FBI surveillance.

It's true, as de Toledano notes, that Morris Ernst was both a defender of Hoover and, as the general counsel and a member of the national board of the ACLU, a civil libertarian of some renown. It was discovered only after his death, and Hoover's, that he was also a secret informant for the FBI for 22 years. That fact is only one of many that de Toledano has heroically managed to overlook.

Beyond Damned Lies

James D. Wright's analysis of the Seattle-Vancouver handgun study ("Guns and Sputter," July) was superb, and I concur fully with his final diagnosis: "polemics masquerading as serious research." As Professor Wright unequivocally demonstrated, the study design was so methodologically flawed as to make the report and its stated conclusions a parody of scientific investigation. The fact that "research" of this ineptitude appeared in one of America's most prestigious medical journals has implications that I shudder to contemplate.

None of these things concerns me nearly as much, however, as the amount of uncritical attention this advocacy piece has received in the popular media, and how little attention has been given to individuals, such as Professor Wright, whose serious, competent analysis has led them away from the gun control bandwagon. During course work in epidemiology and research design I conducted several reviews of the medical literature on the relationships between firearm ownership and homicide rates. Answer: There doesn't appear to be one. The real problem, however, is that the voting public will never hear that side of the story. Unless, of course, we can get every voter to read REASON.

Robert J. Stepp, M.D., M.P.H.
Grissom Air Force Base, IN

JAMES D. WRIGHT'S ARTICLE pointed out some of the statistical and semantic traps set for the unwary in a report on gun ownership published by The New England Journal of Medicine. Another semantic gem from the journal is the much-quoted statement that "guns are 43 times more likely to be used in a murder, an accidental death, or a suicide than to kill an intruder."

The key to this one is the word *kill*. In real life the mere presence of a firearm in honest hands prevents crime in many instances without a shot being fired. But usually only bloodshed and pain make the news; only injury and death become statistics. People don't call the police or the news media to boast of having run off a burglar or potential rapist, for fear of inviting unwelcome attention.

Tom Burckhalter
Lake Bluff, IL

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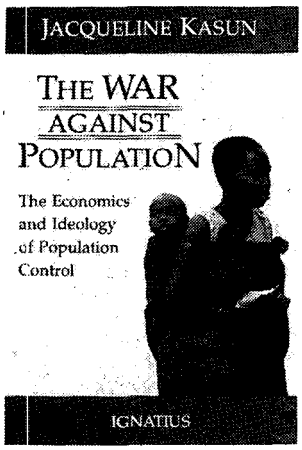
— *Thomas Sowell*
Author, *A Conflict of Visions*



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LETTERS

A Monopoly on Villainy?

David Henderson's law ("Henderson's Law of Heroic Movies," July) may hold, so that every antibusiness movie has a libertarian premise—the people in business who are bad were crooked to begin with. Yet too much of popular drama fingers only people in business as bad guys. How often are TV newscasters, environmentalists, novelists, editorial writers, philosophy professors, athletes, or artists the villains in contemporary drama? Hundreds of shows put the smoking gun in the hands of some corporate executive.

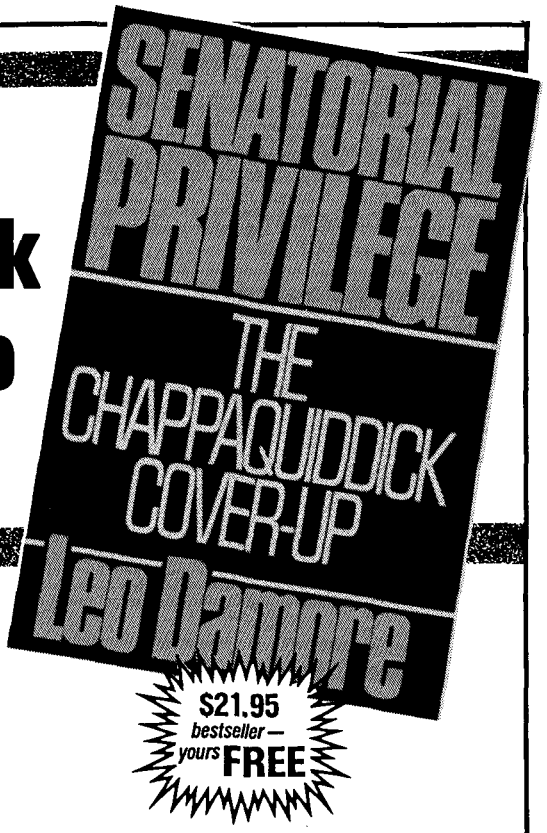
There's nothing wrong with nailing business people gone bad. But it is perverse to spare all other professions and make it seem that commerce has a monopoly on vice. I yearn for the flick that finds some social worker squandering money or a Federal Trade Commission bureaucrat taking it on the chin for restraining trade too much, while the heroic business professional wins and makes a good profit. (Even in *Tucker*, it appears only fat cats go to Washington for favors, never university deans.)

And I am still awaiting the segment of "60 Minutes" in which Mike Wallace marches into a college classroom and confronts the tenured professor with the evidence, garnered by CBS News plants taking the course, righteously asking the question, "Haven't you been teaching this course from notes that are 20 years out of date?" I doubt I will ever see him turn to an artist with the question, "Have you not been plagiarizing your music from a little-known Danish composer?" To paraphrase Ayn Rand, people in business are still a persecuted minority—that's why the Jews and the kulaks got it; let's not kid ourselves. We have a long way to go before commerce gains morally legitimate standing in Western culture.

Tibor R. Machan
Auburn, AL

Professor Machan is the author of Commerce and Morality. *—Eds.*

Despite a media brownout, this book fought its way onto the bestseller lists.



And when you read what it reveals about Teddy and Chappaquiddick, you'll see why.

Ray Kerrison explains it all in his *New York Post* column:

"The biggest surprise — and scandal — of the publishing season is the public's extraordinary demand for a book exposing Sen. Edward Kennedy's fatal escapade at Chappaquiddick, despite a review blackout by the nation's media giants.

This book is titled *Senatorial Privilege: The Chappaquiddick Cover-Up* (Regnery Gateway, $21.95). Written by Leo Damore, it made the *New York Times* non-fiction best-seller list yesterday for the eighth straight week.

Yet the . . . *Washington Post, Los Angeles Times, Boston Globe, Time* and *Newsweek* have all boycotted it.

The media blackout is all the more suspicious because Damore's account is a meticulous examination of what happened at the bridge and the aftermath. It was written with the cooperation of Joseph Gargan, a Kennedy cousin, who was involved in the nightmare. . . .

Damore's book leaves no doubt that: a) Kennedy left the party for a romantic interlude; b) he was drunk; c) he drove off the bridge at considerable speed; and d) his license had expired five months earlier.

It discloses how Ted Sorenson, President John F. Kennedy's speechwriter, drafted Sen. Kennedy's fictitious explanation of the tragedy for a national TV audience."

People Magazine shares the enthusiasm:

"An achievement of reportorial diligence, this book tells a story that the most imaginative crime novelist would have been hard put to invent. It is a tale of death, intrigue, obstruction of justice, corruption and politics. It is also one view of why Sen. Edward M. Kennedy was never indicted in connection with Mary Jo Kopechne's death . . . readers will find it hard to put down."

Adds the **Wall Street Journal**:

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TRENDS

Fred's Raiders

Ralph Nader—watch out! Fred Smith and the Competitive Enterprise Institute are hot on your tail.

CEI's latest venture is the Washington Policy Analyst Training Institute, designed to become the market-oriented counterpart to "Nader's Raiders." Three times a year, four to six college seniors or recent graduates will roll into Washington and learn practical tactics for battling big government.

Unlike most Washington intern programs, in which starry-eyed students come to the capital and spend their summers toiling as Xerox jockeys or unpaid receptionists, the student research associates at CEI spend much of their time writing. The first group of associates, who earn $200 a week salary, have written on subjects ranging from the flaws of the value-added tax to a market-oriented interpretation of Richard Wagner's *Ring* cycle of operas. The best paper or article written by a CEI research associate will win a $500 prize.

Anthony Woodlief, a senior at the University of North Carolina, says he is learning far more working for CEI than his fellow students are in congressional offices or at larger foundations. "You get a lot of hands-on experience," Woodlief says. "You get to write op-eds and are taken seriously." Woodlief's first article, on the alcohol fuel program, was published in the *Detroit News*.

CEI president Smith predicts that his policy-analyst training program, although small, will eventually grow. It is very important, he says, to train the next generation of market-oriented policy analysts to counter the hundreds of students who imbibe socialism while working for Ralph Nader's countless organizations.

"On every issue, we are outnumbered 100-to-one by the left," Smith says. "I'd like to do something to even the odds."

—Martin Morse Wooster

Georgia on My Mind

In 1986, the U.S. Supreme Court in *Bowers* v. *Hardwick* refused to strike down a Georgia law criminalizing sodomy. While the majority opinion stated that there was no constitutional right to engage in *homosexual* sodomy, the law that it upheld forbids all sodomy. At the time, some argued that the decision was of little consequence because sodomy laws are rarely enforced.

Since *Hardwick*, however, some prosecutors seem to be more willing to prosecute sodomy cases—and defendants find themselves without protection. Ironically, some of the first to suffer prosecution are heterosexuals.

James Moseley has sat in a Georgia prison since February 1988 and will likely remain there until February 1990. He was convicted of engaging in oral sex with his ex-wife. (Legally, *sodomy* refers to either anal or oral sex.)

During a bitter divorce and custody battle, his wife charged him with rape. At the trial, he admitted that he had engaged in oral sex with her but said it was completely consensual. The jury apparently believed Moseley, acquitting him of rape. But, under instructions from the judge, they convicted him of consensual sodomy—a felony in Georgia. He was sentenced to two years in prison and three years probation. Judd Herndon, an Atlanta attorney now advising Moseley, says he knows of at least two other heterosexuals recently convicted under Georgia's sodomy law.

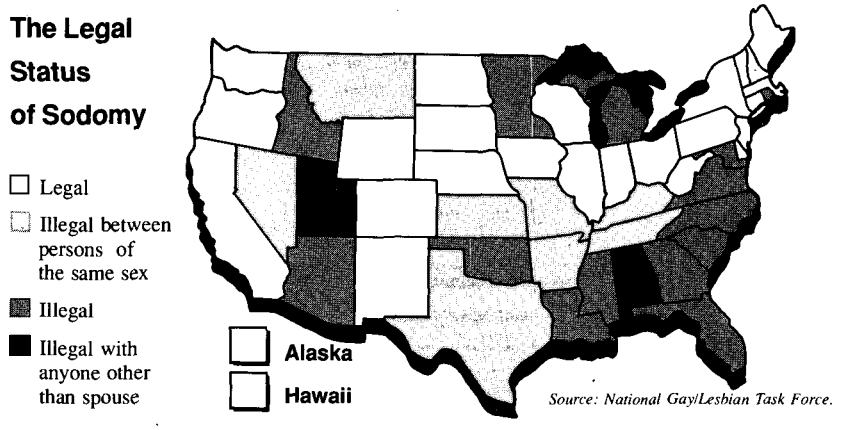
Under strikingly similar circumstances, Maryland last year sentenced Adam Schochet to five years in prison for violating its 1916 sodomy law. A woman had accused Schochet of forcing her to perform fellatio. A jury acquitted Schochet of rape but found him guilty of sodomy. Schochet's conviction was upheld by an appellate court, which cited *Hardwick*. The case is on appeal.

Sodomy is illegal in 24 states and the District of Columbia. Of these, 8 states recognize only homosexual sodomy as a crime, 14 have a blanket prohibition, and Alabama and Utah allow sodomy only between married partners.

The penalties can be severe. Rhode Island, which has a blanket prohibition, demands a prison sentence of not less than 7 years and no more than 20. In Montana, which outlaws only homosexual sodomy, a conviction can bring a 10-year sentence and/or a $50,000 fine.

—Charles Oliver

The Legal Status of Sodomy



Source: National Gay/Lesbian Task Force.

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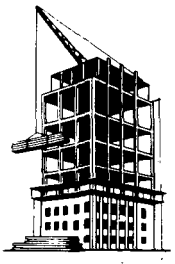
THE NEW REPUBLIC

BALANCE SHEET

Assets:

Party Crashers. One-party rule goes the way of vinyl records—slowly but surely out. Opposition parties do the impossible: Win in Japan. Take a governorship in Mexico. Exist in (parts of) Eastern Europe. Who knows, there may soon be Republicans in Massachusetts.

Legal Disobedience. Antiapartheid activists exploit legal loopholes to further integration and free speech. A group of blacks and whites takes a dip in a Johannesburg municipal pool—establishing that there's no law against integrated swimming, only a law *permitting* such a law. Journalists publish photos of and statements by Nelson Mandela. Since its own propaganda does the same, the government backs down when challenged. Parts of the ANC's Freedom Charter appear on t-shirts and in newspapers.

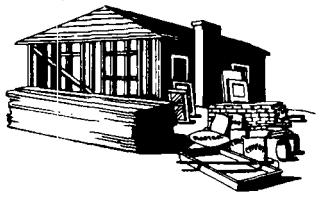


Plan of Steel. Bush announces an end to steel quotas but, wimp that he is, postpones it until 1992. Better late than never. By one estimate, the quotas have saved 17,000 steel-industry jobs over the last five years—at a cost of 52,000 jobs in other business sectors.

Uncommon Valor. A few Democratic lawmakers prove notably resistant to the virus of economic populism. One group splits with party demogogues to support a cut in the capital gains tax. The result: less jaw-flapping overall about giveaways to the rich, more consideration of what a cut would do for the economy. Also brewing is support for a higher Earned Income Tax Credit, which directly targets the working poor, and less emphasis on the minimum wage.

Liabilities:

Reefer Madness. Castro is shocked, shocked to find drug smugglers among his officers. Those naughty officers have got to go. Castro wants to join the noble U.S. drug war. Honestly, some journalists and politicians will believe *anything* if drugs are involved. What's next—a brave Chinese campaign against opium peddlers in Tiananmen Square?



Binding Contracts. Big government types use the HUD scandals to attack privatization, deregulation, and the free market. This is wrong but effective. Lavishing government money on business does not a free market make, but free-market advocates have too often equated handing out contracts with cutting back government. It's time we started making distinctions.

Time Served. New York State considers requiring all attorneys to perform 20 hours a year of *pro bono* service in exchange for the right to practice their profession. The *New York Times* raves about the proposed draft, attacking "affluent lawyers [who] balk at making even a modest contribution to equal justice." Who knows, maybe those securities lawyers would indeed make great tenant advocates. And maybe the *Times* will support a law requiring editorialists to write press releases for indigent entrepreneurs.

Textbook Case. California wants to smarten up its textbooks. Now we see how they got dumbed down. Everybody has a complaint. First, the publishers griped that interesting history books are too hard to produce. Now the creationists demand biblical teachings in the science books. Just wait till the feminists weigh in. This is what happens when you make one curriculum fit all.

—Virginia I. Postrel

SRO-Time

In a surprise move, the New York Court of Appeals, the state's highest court, has overturned a New York City ordinance requiring owners of single-room-occupancy hotels to maintain the units for rental purposes. "It's a remarkable decision, especially given the history of New York courts," says R.S. Radford, a Pacific Legal Foundation attorney who filed a friend-of-the-court brief urging that the law be overturned. "New York courts have historically been very hostile to property rights. It's not just a victory, it's an overwhelming decision."

The New York ordinance essentially required owners of these buildings to operate them only as SROs. Under the law, an owner could not refuse to rent rooms and could not close the hotel unless he paid the city $45,000 for each unit taken off the market.

"A developer who bought an old dilapidated building whose last official use was as an SRO would have been required to refurbish the building and operate it as an SRO," explains Radford.

The city argued that the ordinance was needed to keep New York's homeless population from growing. But the court, agreeing with Radford's brief, ruled that the law violated the Fifth Amendment's takings clause. In *Seawall Associates* v. *City of New York*, it concluded that "the nexus between obligations placed on SRO property owners and the alleviation of the highly complex social problem of homelessness is indirect at best and conjectural. Such a tenuous connection between means and ends cannot justify singling out this group of property owners to bear costs required by the law toward the cure of the homeless problem."

Nor did the court accept the city's argument that the law's buyout provision made the law constitutionally acceptable. The court held that "if the initial act amounts to an unlawful taking, then permitting the owners to avoid the illegal confiscation by paying a 'ransom' cannot make it lawful."

—Charles Oliver

American Employees Revolt!

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Starting a business of your own protects you and your family from ever facing a dreaded layoff. Never again worry about job security.

It used to be that working for a large corporation provided a secure job. Unfortunately that's no longer the case.

As an employee, you are subject to many variables beyond your control. There is no way to prepare for unexpected layoffs, mergers, restructurings, and perhaps the factor over which you have least control - the whims of your employer.

Today's business realities have induced a record 20% of the managers fired last year to start a business for themselves rather than face another discharge, according to *The Wall Street Journal*. And, this entrepreneurial trend has continued to grow.

For example, clients of one outplacement counseling firm, Chicago-based Challenger, Gray & Christmas Inc. are choosing entrepreneurship at a record pace.

A solid 21% of their clients in the first quarter of 1989 returned to the work force by starting companies of their own, up from 7 % in 1985.

"Statistics show that there is a strong determination among many managers to take a chance that they can, in time, equal or surpass their last salary by striking out on their own," says company president, James Challenger. "The large number of mergers, acquisitions, layoffs and plant closings tend to support the view of the entrepreneurial minded that they are better off fending for themselves," he said.

Successful businessman, founder of Entrepreneurs of America, and bestselling author Ted Nicholas says, "If you do it right, especially if you already have some business experience, you have almost nothing to lose and everything to gain by setting up your own company."

The only true security is working for yourself. Being your own boss means you can never be fired. You actually create your own job, salary and benefits. It's a fact that more than 90% of all individuals making $50,000 or more own their own business.

You will also enjoy a greater level of personal freedom. You will completely control your own destiny by becoming self-employed.

If you do it properly, setting up a business of your own provides real job security. And, if you follow some basic guidelines, you can minimize the hurdles of starting a business.

Tips to help you make the transition to secure self-employment:

1. Set up a business while keeping your current job. This way, if your business doesn't take off immediately, you can still pay your basic expenses. You avoid needless stress during the critical period.

2. Start your business in a field with which you have some expertise, and is interesting and challenging for you.

3. Avoid businesses which require high capital investment.

4. Consider service businesses carefully — more than half of the GNP is currently spent on services, not products. It's the biggest growth area. (Also, service businesses require less capital and often involve less risk than product businesses.)

5. Avoid businesses which involve extensive government regulation. Compliance is too cumbersome and costly.

6. Before starting any business, protect your personal assets. Set up a corporation immediately. In this way, you avoid jeopardizing personal assets such as your house, car, cash, etc. Limit your risk to only that which you put into the business.

Incorporation can be expensive. Through lawyers, it can cost $500 to $ 2,500 in legal fees, But it doesn't have to be costly any longer. Now, it's possible for you to incorporate simply, and fast, with minimum expense.

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- Tax deductions for an office in your home
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What readers say

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- Sacramento Bee

"This book succeeds, because it fills a real need."

- Publisher's Weekly

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- John E. Manifold, NYC, NY

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—Seymour Fliegel, former deputy superintendent, New York School District Four, speaking at a Pioneer Institute symposium on education reform.

A Sticky Issue

Across the nation, that bastion of individual expression, the automobile bumper, is falling to the forces of state intervention.

Last fall, the Florida legislature enacted a law proscribing "any sticker on a car that has obscene descriptions for obscene use or purporting to be for obscene use." Lawmakers in Illinois are planning to follow suit, and in South Carolina a bill prohibiting obscene bumper stickers was approved recently by the the state Senate and is being considered by the House.

Supporters of such legislation make no bones about their motivation. They want to ban certain types of bumper stickers because they don't like them.

"I'm offended by the bumper stickers I read, and I'm particularly offended if I have my grandchildren in my car," says T.T. Mappus Jr., cosponsor of the South Carolina House bill. "I've wanted to get out and scrape it off, but I know that it is not within my right to get out and scrape a bumper sticker off somebody's car." So Mappus wants to force the drivers themselves to scrape the stickers off, under the

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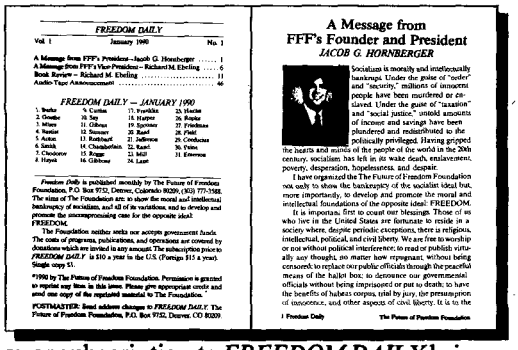
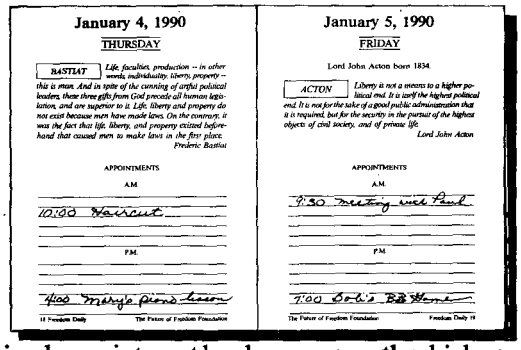

FREEDOM DAILY

Vol. 1 — January 1990 — No. 1

A Message from FFF's Founder and President
JACOB G. HORNBERGER

FREEDOM DAILY — JANUARY 1990


January 4, 1990
THURSDAY
BASTIAT
APPOINTMENTS
A.M.
10:00 Haircut
P.M.
4:00 Mary's piano lesson

January 5, 1990
FRIDAY
Lord John Acton born 1834.
ACTON
APPOINTMENTS
A.M.
9:30 Meeting with Paul
P.M.
7:00 Bob's BBQ Home

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threat of a $200 fine.

Among the messages cited during discussion of the ban were the pithy-but-ambiguous "Shit Happens" and double entendres playing on the nickname of the University of South Carolina Gamecocks.

John Land, author of the South Carolina Senate bill, says offensive bumper stickers are particularly problematic. "You can turn away from a t-shirt, you can turn away from a billboard. [But] to comply with the law and keep a proper outlook, if the car in front of you has an obscene bumper sticker on it, you can't turn your head away from it."

Land admits the bill raises free-speech issues. "I was surprised it went through the Senate without somebody voicing constitutional objections to it," he says, acknowledging the difficulty of determining what is obscene. "I reckon we will have the same problem with that that the federal courts have always had."

Land is comfortable relying on local authorities to divine and apply the "community standards" that must be consulted in finding bumper stickers obscene. "I think it goes back to good judgment," he says. "I think most of our officers have that, and you have the protection of the trial system. I think the jurors and judges will recognize those messages that really serve no useful purpose."

Despite Land's faith in local magistrates and juries, his bill and others like it could open the door to police harrassment of motorists who dare to walk the fine—some would say, invisible—line between the merely offensive and the obscene. The judicial system may see no substantive distinction between "The Ayatollah Eats Shit" and "George Bush Eats Shit," but an overworked sheriff's deputy or state trooper just might.

—Jacob Sullum

FYI

Groups or individuals mentioned in this month's Trends:

Takings Law
R.S. Radford
Pacific Legal Foundation
2700 Gateway Oaks Drive, Suite 200
Sacramento, CA 95833-3501
(916) 641-8888

Sodomy Laws
National Gay and Lesbian Task Force
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BRICKBATS

Swedish authorities recently sentenced eight teenaged criminals to a six-month, $80,000 rehabilitation cruise to the Caribbean. The youngsters were convicted of assault, theft, burglary, and vandalism. But not to fear. Three social workers will accompany the misunderstood and misguided youths, teaching them constructive ways to deal with their aggression. Now, let's get this straight: Crime does not pay.

Only in California, Part I. The city of Pasadena has a problem. City law specifically states that Armenians are a "protected minority," entitled to the same affirmative action benefits as blacks and Hispanics. Unfortunately, no one knows how many Armenians live in Pasadena, so the city can't set accurate goals. The solution: a special census that will cost somewhere between $90,000 and $210,000. Wait till the Turks hear about this.

The Pentagon has found religion. Actually, it has found a couple of them. The Air Force recently gave permission to Airman Patricia Hutchins, a witch (her own description, not ours), to observe her faith's ceremonies and holidays. Meanwhile, a Defense Department audit has found that it accidentally paid a monastery in De Pere, Wisconsin, $141,000 last year. The monks claim they never did any work for the Pentagon and never received a check. It seems that the military doesn't treat all religions equally. Thousands of dollars for Catholic priests, but witches only get holidays off.

Ah, the beauty of nature. The Yosemite Art Museum removed all but two of the outdoor nude studies it commissioned from photographer Ken Marcus. Park officials thought the photos were just a little too *natural*. The photos were replaced with pictures of dilapidated park buildings.

Only in California, Part II. Two police officers in Hayward beat a blind man with their nightsticks after mistaking his collapsible cane for an illegal martial arts weapon. It all began when the officers spotted what they thought were a pair of *nunchakus* (pieces of wood connected by a chain) in David St. John's back pocket. Since the cops were in uniform, they didn't bother identifying themselves when they demanded that he hand over the contents of his pockets. St. John thought he was being accosted by young toughs and tried to defend himself. "I did what my self-defense training and my instincts told me to do," said St. John. The officers struggled with the man until a bystander pointed out to them, "He's blind!"

A survey of hotel bills from last year's National Religious Broadcasters Association convention found that 80 percent of them watched an X-rated movie in the privacy of their rooms. Just doing a little research on the enemy, we suppose.

An Ohio postal carrier who called bulk-rate advertising "junk mail" in a newspaper interview and said the best parts of his job were pay day and quitting time was suspended for two weeks without pay. Richard Mendenhall, a 23-year veteran of the Postal Service, was suspended for "conduct unbecoming a postal employee." That's a great attitude to have. Break a package, misplace a letter, hey, accidents happen. But call bulk-rate business mail "junk mail," and buddy, you'll answer to your superiors.

Not even in California. Dr. Seuss, call your office. The Associated Press claims that in Russia, the cat *is* the hat. Cats are increasingly popular in the Soviet Union. About 30 million people there keep cats as pets, and millions more have an even closer relationship to the little furballs. Cat fur, it seems, makes really great headgear. Just the thing for those long Moscow winters. Purrestroika, anyone?

—Mark Edward Crane

A Feast of Freedom

"Liberty is a Glorious Feast." —Robert Burns

Every issue of *Liberty* offers a feast of individualist thinking designed to scintillate the most refined palate.

Hors d'oeuvres

To whet your appetite, *Reflections* serves up the provocative opinions of *Liberty*'s editors. A few selections from the menu for September:

Karl Hess on vigilante justice;

Murray Rothbard on Eleanor Roosevelt's feet;

Bill Moulton on George Will's strange hatred of liberty;

Jim Robbins on state-subsidized "art";

Rex May on the assault on English.

Entrées

The main course consists of a variety of controversial and thoughtful essays. A few entrées from our current offering:

Ralph Raico argues that historians should remove their political blindfolds and re-examine the state terrorism of Hitler, Stalin and FDR;

Murray Rothbard recalls his expulsion from Ayn Rands Circle;

David Friedman explores the paradoxes of libertarian theory, and offers a way out;

R. W. Bradford considers the bizarre libertarian theories about the abortion problem and proposes a solution;

Richard Kostelanetz recommends avant garde art to the political avant garde.

Potages

To accompany its main features, *Liberty* offers a variety of penetrating reviews. A few examples from our current issue:

Timothy Virkkala on the truths and the errors of Hayek;

Loren Lomasky on Hans-Herman Hoppe's "proof" of anarchism;

Lawrence Dodge on the prescriptions for the recovery of Yellowstone;

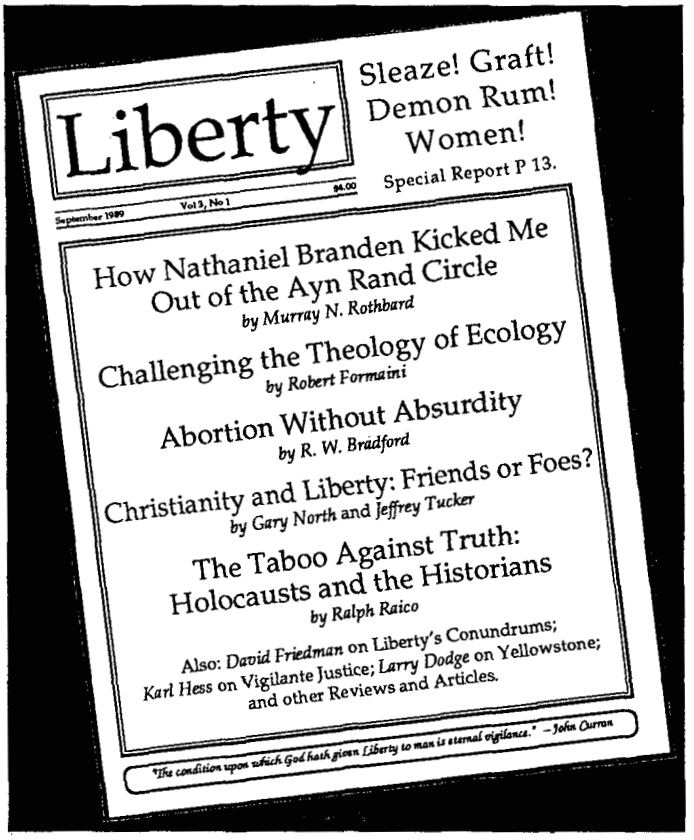
And reviews of other books, films, video, television and comics.

Desserts

To top off your feast and satisfy your intellectual sweet-tooth, *Liberty* offers:

Cartoons by Baloo and Bob Ortin;

The bizarries of *Terra Incognita.*


Liberty
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How Nathaniel Branden Kicked Me Out of the Ayn Rand Circle
by Murray N. Rothbard
Challenging the Theology of Ecology
by Robert Formaini
Abortion Without Absurdity
by R. W. Bradford
Christianity and Liberty: Friends or Foes?
by Gary North and Jeffrey Tucker
The Taboo Against Truth: Holocausts and the Historians
by Ralph Raico
Also: David Friedman on Liberty's Conundrums; Karl Hess on Vigilante Justice; Larry Dodge on Yellowstone; and other Reviews and Articles.
"The condition upon which God hath given Liberty to man is eternal vigilance." —John Curran

Liberty's Cuisiniers

This libertarian banquet is prepared for you by *Liberty*'s editors, master chefs of the written word:

- Prof Stephen Cox, cultural and literary critic.
- R. W. Bradford, editor of *Analysis & Outlook.*
- David Ramsay Steele, Editorial Director of Open Court Publishing.
- Murray Rothbard, economist and philosopher; William F. Buckley, Jr, calls him "the dominant figure in the libertarian movement."
- Karl Hess, visionary libertarian thinker, former Black Panther *and* speechwriter for Barry Goldwater.

Coming in Liberty:

✔ **Winning the War on Drugs**—Joseph Miranda, military psychological operations expert, shows what it would *really* take to win the War on Drugs (hint: think about bodybags);

✔ **An Interview with Barbara Branden**—in her first interview in more than two years, Barbara Branden talks frankly about life inside the Rand circle and ex-husband Nathaniel Branden's steamy memoir;

✔ **In Defense of Elitism**—Karl Hess argues that Elitism is one of the best things about America;

✔ **The College Teaching Scam**—Richard Kostelanetz urges a revolt against the intellectual Brahmins who swill at the higher education trough;

✔ **Liberty and Abortion**—Murray Rothbard explains his version of the consistent libertarian position on the abortion issue in the wake the Supreme Court decision throwing the issue back to the voters;

✔ **Ayn Rand and I**— Tibor Machan on his tumultuous relationships with Ayn Rand, Nathaniel Branden and other Objectivists.

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THE CHINA

Ten years of U.S. ambivalence left the door open for the Tiananmen Square tragedy. It is time to adopt a policy of principle.

BY STEVEN W. MOSHER

Sun Hui was a freshman at Beijing University majoring in chemistry. He was not a member of the Chinese Communist Party, although his parents were. He had chosen instead to join with many of his classmates in the peaceful, nonviolent protest for democracy that began this year on April 18. In the early morning hours of June 4, he and hundreds, perhaps thousands, of others were gunned down near Tiananmen Square by troops of the ironically misnamed People's Liberation Army firing automatic weapons. Their bodies were burned under the cover of darkness to destroy evidence of the massacre. We may never know for certain exactly how many died that bloody night.

The demonstrations were originally sparked by the death in mid-April of Hu Yaobang, a former party leader deposed by orthodox Marxists for being too soft on democracy. Sun had been an activist from the beginning, helping to organize the protesters into China's first independent student union. As crowds numbering first in the hundreds of thousands, and finally in the millions, took to the streets in support of their movement, the students were encouraged and launched a hunger strike in Tiananmen Square, the symbolic heart of China. They also drew up a set of demands: an end to the widespread corruption in the government, a streamlining of the massive bureaucracy, and a more open political system. They vowed to continue their sit-in until the party leaders agreed to meet with them.

Sun had never visited the United States, indeed, had never been outside China. But, like his classmates, he was an avid listener of the Voice of America, had been inspired by quotations from Patrick Henry, Abraham Lincoln, and Thomas Jefferson, and had applauded when the "goddess of democracy"—modeled on the Statue of Liberty—was erected in Tiananmen Square. A living symbol of America's burgeoning influence in China, he was young, idealistic, Western-oriented, and hopeful of democratizing China by peaceful means.

Sun's real crime was that he looked beyond the present one-party dictatorship, whose misrule his people had suffered for decades, to a Chinese government that would be respectful of the wishes of its people. This was why Sun and his fellow students were first anathematized by the orthodox Marxists in command of the party as "counterrevolutionaries and hooligans," and then shot by the army. Sun Hui was 19 years old when he died.

The massacre was a double failure for America's China policy. Not only were Sun and his friends murdered for espousing our ideals, but they died at the hands of the same government to which the United States extended diplomatic recognition on January 1, 1979, and which this country has been supporting throughout the '80s with arms sales, military technology, most-favored-nation status, textile import agreements, government-subsidized grain sales low-interest-rate-loans through the World Bank and other international agencies, and numerous other forms of assistance.

In China, we come face to face with the deadly contradiction at the heart of U.S. efforts, in this post-communist era, to wean communist states away from their addiction to Marxist-Leninist extremes. The democratic movement that our example helped inspire has been suppressed by the orthodox Marxists whose economy we helped to strengthen and whose army we helped to modernize.

The flames that turned the young freedom fighters into charred bones and ashes also left our China policy a smoldering ruin. We must think long and hard about what we have really been doing in that country and where we must go from here. We must consider whether the unequal conflict between the forces of democracy and despotism in the streets of Beijing could somehow have been averted and how to mitigate the campaign of terror now in full swing.

If Sun and his friends were expecting the United States to support the movement that its ideals had inspired, they must have been bitterly disappointed. For two-and-a-half weeks after the demonstrations began on April 18, President Bush and Secretary of State James Baker ducked questions from the press on the events in China. The Chinese leadership, astute at evaluating much more subtle signals, can only have interpreted this silence to mean that the U.S. administration

considered China's handling of the student protests to be an "internal matter" that would not affect bilateral relations.

When Bush finally allowed himself a public comment on May 5, he may have made matters worse with an offhand remark that seemed to suggest that the heroic young student activists were merely unreasonable malcontents: "I have words of encouragement for freedom and democracy, wherever...[but] I wouldn't suggest that to any leadership, to any country, that they accept every demand by every group."

To a deeply divided Chinese leadership, split over the question of whether to work out an accommodation with the student demonstrators or to crush them, the message was clear: The United States was not prepared to offer any support, substantive or rhetorical, to those in China who were inspired by its ideals to demand fundamental freedoms and human rights. In their calculations of the cost of quashing the democracy movement, China's rulers could safely ignore the possibility of damage to their country's vital strategic and economic ties to the United States and the West.

As events in China took an increasingly ominous turn, neither the White House nor the State Department gave the Chinese leadership any cause to doubt its early assessment.

- On May 13, 2,000 students in Tiananmen Square began a hunger strike, and announced that they were prepared to die for democracy. The Bush administration had no comment.
- On May 20, the hardliners having won out, the Chinese leadership declared martial law in Beijing. Columns of tanks and armored personnel carriers began to pour into the city, only to be stopped in their tracks by tens of thousands of Beijing residents, who barricaded the streets with their own bodies. In the largest spontaneous demonstration in the history of the PRC, an estimated one million persons peacefully paraded through the streets of Beijing in support of the students' demands.

Secretary of State Baker's response made it clear that democracy and freedom in China had to take a back seat to stability and the status quo: "I don't think that we should in any way be seen to be somehow inciting to riot....I don't think it is in the best interests of the United States for us to see significant instability" in China.

SYNDROME

LICE
ELECTRONIC REPR

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- On June 1, the *Central Daily News*, the official newspaper of the Nationalist Party of the Republic of China on Taiwan, published a news article asserting that an all-out assault on Beijing was imminent. Citing military intelligence sources, the report said that the Chinese leadership had ordered the army to retake Beijing at all costs and had authorized the use of deadly force against students and other demonstrators. This intelligence, which should have been available to senior personnel in the State Department and the White House, elicited no public expression of concern from either group.
- On June 4, the final bloody assault began. Again, Beijing's citizens tried to stop tanks and APCs with their massed bodies, only to be crushed under the treads of armored vehicles or killed by automatic weapons fire. The troops surrounded, then moved in on, the students encamped in Tiananmen Square, killing some and driving off the rest.

It was late in the day before Baker finally appeared before the press to make a brief statement. He deplored the outbreak of violence (without mentioning who was responsible) and called upon the two sides to peacefully settle their differences (without mentioning that one side was committed to the total destruction of the other). The message embedded in this minor masterpiece of moral equivalence was a familiar one: Massacre or no, preserving the cooperative relationship with the Chinese leadership remained paramount.

If the unfolding tragedy in China could not bring the Bush

administration to reconsider the wisdom of preserving the status quo, the outraged reaction of the American public, as expressed by their elected officials, was less easily ignored. About to be outflanked on the right by Democratic opponents like Sen. Sam Nunn (Ga.) and Rep. Steven Solarz (N.Y.), who threatened to draft their own harsh sanctions, President Bush during his June 5 press conference announced his own list. Upcoming official military visits were canceled, as well as several pending arms sales. All Chinese citizens in this country, including students participating in the official exchange program, would be eligible to have their visas extended for one year upon request. Humanitarian assistance would be offered to the Chinese Red Cross to help care for the wounded in Beijing.

Bush ruled out diplomatic or economic sanctions, however, expressing his view that they would be counterproductive. Borrowing a line from Henry Kissinger, he cautioned against reacting to the events in China with emotional outbursts. He made it clear that, however much he might sympathize in the abstract with the tragic fate of the students, *realpolitik* argued for the preservation of the cooperative relationship between Washington and a stable Beijing regime.

Bush's failure to resolutely condemn China's actions, and follow that with sanctions that have teeth, is hardly congruent with our usual treatment of repressive regimes. From Cuba to Nicaragua, South Korea to the Philippines, the United States has challenged governments disaffected from their people to hold free elections or otherwise pursue democratic reforms or face sanctions and a cutoff of aid.

If a dictator, of whatever political stripe, turned his army loose on unarmed, peaceful protesters in his capital, massacring thousands, does anyone doubt that our ambassador would be called home, aid cut off, and at least a partial trade embargo imposed? And if the dictator in question further launched a ferocious nationwide campaign of repression against those who sympathized with his victims, might we not seriously consider breaking off diplomatic relations?

Some have suggested that Bush's delayed and feeble reaction may, in part, be a consequence of a bad case of "clientitis," acquired during his years as America's representative in China in the mid-'70s. His first overseas destination after being sworn in as president was Beijing, where he renewed his longstanding relationship with China's aging communist leaders. But when those same leaders deliberately insulted him by detaining the prominent dissident Fang Lizhi, whom Bush had invited to dinner, the president of the United States at first kept silent about this affront, complaining only a day later after embarrassing accounts of the incident had appeared in the press.

Bush is not the first president to treat China as an exception when it comes to otherwise evenhandedly applied norms of human rights. Roberta Cohen, deputy assistant secretary of state for human rights in the Carter Administration, has recently documented how even gross Chinese violations of basic rights were glossed over or ignored by all four of Bush's immediate predecessors. Like Bush, Presidents Nixon, Ford, Carter, and even Reagan exempted China from universally accepted norms because they had been led to place an extraordinarily high valuation on good relations with a stable Beijing regime.

No foreign policy expert has done more to promote the unique importance of the U.S.-Chinese political and strategic relationship than one of its original architects, former Secretary of State Henry Kissinger. "The stakes could not be higher," Kissinger wrote in the *Washington Post* in the aftermath of the massacre. "China's huge size, vast and diverse population and the talent of its people make it an indispensable component of global and particularly Asian stability. When it is removed from the scales they tip to extremes." Were U.S.-China relations to chill, or China to collapse in turmoil, he argued, U.S. interests in half a dozen countries would be threatened, from the Soviet Union in the north to Kampuchea in the south.

★

George Bush's coziness with China has strong historic precedent.

★

The problem with Kissinger's apocalyptic predictions is that they are not borne out by recent history. During the Cultural Revolution, China simply disappeared from the international scene for several years. Relations with the United States were not merely cool, they were in suspended anima-

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tion. Yet, *contra* Kissinger, Moscow did not grow more belligerent toward the West (although it did propose a preemptive strike on China's missile fields), Pyongyang did not launch an attack on South Korea, and Japan did not reconsider its relationship with the United States.

On the other hand, at the very time when Kissinger was industriously weaving his shuttle over the loom of U.S.-China relations, Beijing continued to vigorously support North Vietnam's war of conquest against the south. Indeed, the Chinese, who denied at the time to the world (and to Henry Kissinger) that they had any troops in Vietnam, have recently admitted that over 300,000 men of the People's Liberation Army served alongside their fraternal socialist allies in the struggle against American imperialism.

Even Kissinger's concern about China's diminished clout in the current negotiations over the future of Kampuchea seems overstated. The preoccupation of the main foreign backer of the notorious Khmer Rouge with internal strife will surely facilitate, not impede, an agreement acceptable to all parties, helping to ensure that the Cambodian people will not again be brutalized by Pol Pot's thugs.

Hyperbolic assessments of China's foreign influence originate in exaggerated estimates of its strength. The myth that has grown up around China, centered on its "huge size and vast and diverse population," disguises the scrawny reality of a poor, underdeveloped nation. China has a per capita income of less than $350, a gross national product less than West Germany's, a foreign trade less than Switzerland's, and fewer nuclear warheads than either Britain or France. Beijing governs a territory almost as large as the United States but possesses only limited arable land and less-than-abundant natural resources. It commands a population in excess of one billion, but most of these are unlettered villagers crammed into the eastern quarter of the country working handkerchief-sized plots of land. The government itself values its multitudes so little that it is cruelly trying to reduce them.

China's past glories or future prospects also bedazzle and confuse foreign-policy makers. The Middle Kingdom of the 18th century was strong enough to cow its immediate neighbors into becoming tributary states, but Mongolia, Korea, Taiwan, Vietnam, and Thailand have for the better part of a century been able to safely ignore Beijing's edicts. In 50 years, China may once again become a world power to be reckoned with. At present, however, China is neither another Soviet Union, nor another Japan. It is a dragon of papier-mâché and poster paints. It is India on the China Sea.

No one political party or group in the United States has a monopoly on the China myth. Liberals and conservatives alike subscribe to the idea that China is the third power in the world, almost (but not quite) a superpower. This ill-founded consensus goes a long way toward explaining why, since its crafting in the late 1970s, our China policy has been so remarkably stable. And it explains why the reaction of the foreign policy establishment of this country to the Beijing massacre can best be characterized as limp acquiescence.

Many liberals, especially those who have never quite overcome their early euphoria over the "New" China, have adopted a stance of respectful benevolence toward that country. Joined by many moderates of both parties, they have been convinced that drawing China's leaders closer to the United States, encouraging the process of economic reform, and peacefully exchanging goods and people would help China bloodlessly evolve away from a one-party state toward a true socialism.

In this scenario, the Chinese Communist Party would gradually reform itself, abandoning such practices as arbitrary arrest and imprisonment, mass political campaigns, and the persecution of intellectuals, until it came to resemble the socialist or liberal democratic parties of Europe. In the meantime, open criticism of Beijing was viewed as counterproductive because it would lead to a retreat from America's salubrious embrace. This was the theory that Bush was invoking when he stated at his June 5 press conference, "The process of democratization of communist societies will not be a smooth one, and we must react to setbacks in a way which stimulates rather than stifles progress toward open and representative systems."

Conservatives accepted the necessity of cultivating good relations as the price of playing the China card. Though not eager to actually enter into an alliance with a regime they recognized as repressive, they saw in the four-million-man (later three-million-man) Chinese army a useful counterweight to the Soviet military machine. Even the Sino-Vietnamese War of 1980, when frontline units of the People's Liberation Army were badly mauled by the Vietnamese border militia, could not shake this belief.

Conservatives also applauded China's willingness to allow the United States to set up three electronic monitoring stations near the Soviet border, which provide vital telemetry data on Soviet missile launches to U.S. (and Chinese) intelligence agencies. Open criticism of Beijing's rule by conservatives has been muted for fear of jeopardizing this strategic relationship in general and our intelligence-gathering capabilities in particular. Bush and his advisers obviously concur and have thus refrained from endorsing more rapid democratization in China.

Many of these assumptions have been shaken by recent events. Who now, after the slaughter in Beijing, will argue that the People's Republic of China is evolving away from a one-party, Leninist state? With the secret police even now terrorizing democratic activists and advocates of reform in a campaign of mass repression, the party is tightening, not relaxing, its grip on the Chinese people. Who now, after

Elegy for the Peking Martyrs

BY SUSAN RUEL

News photographs possess the gray solemnity of stone:
A mother flailing her arms in grief as
if in tai chi chuan,
welter of bicycles
and tears, always rivers of China's sorrow:
tears and blood daubed with cotton handkerchiefs
Nearby a man and woman press palms flat against
eyes, mouths, in grief
Much as Chinese when they laugh, diffidently.

I have known China, its termite-bitten
misshapen embryo of a soul
moaning with inchoate pain its dark sullen
grimy morning and sodden afternoon
made for hao xiuxi*
experiencing the essence of Shanghai in a
vision, when sleep overwhelms like compulsive
vice: the sick brown dirty lavender
or putrid muddy gold color of goods sold in
Why High Road;
soiled, hunkering shape, crouched in
fetal position, worm-eaten being, homunculus
half-formed, uttering a muted moan.

"I weep for the brilliance of my students," said the first
Chinese woman to graduate from Vassar after Liberation,
made mad by decades of crushing perversions,
organized evil.
Students blanched, remorseless, their girlish smiles
expunged by the childhoods you gave them:
digging rivers in winter with their fingernails.
Miss Zhu Lanxing. Blue Star. Whose mouth broke out in sores
one spring day. Who felt life is meaningless.
"I weep for the brilliance of my students," Esu said,
teaching Milton as chilblains rose on their skin in winter.
"I stand in line all day to buy the worst wine on earth,"
Professor Yuan wrote in his diary; he got 10 years in solitary,
leapt from a bridge, and tried to cut his throat with
bamboo, but lived.

Deng Xiaoping,
ghoulish, Urizenic King Lear in the
nation of Confucius, near death
yet ravening on the blood of grandsons,
employing personnel to count wristwatches,
document lovemaking, lock books.
"The People's Army will not shoot the People."
An aiyi with infant, shot on a balcony
a student groaning in pain at an untreated
gunshot wound, brains of an intellectual
dashed on the stone tiles of the square of the gate of
heavenly peace, hard by a portrait of Stalin,
leveled by a tank manned by a 20th-century centaur from
Inner Mongolia.

I can't stop seeing a human sea
waves of blood:
the 27th fighting the 58th,
the 20th of Shanghai uniting with
the 39th of Shenyang: civil war as
a feint to drive off Western ghosts,
as in Peking opera, when generals
whirl around the stage three times with a
red banner, signifying battle.
The People have nothing to give
the descendants but their lives
They will phone your hot lines to
report Deng Xiaoping and be told:
have your children prepare your coffin.

On a day of foreboding, a day between
Tomb Sweeping Festival and Dragon Boat Festival
when Qu Yuan drowned himself in the river Mu
in despair that the emperor would not heed his
remonstrations,
fifteenth day of the fifth lunar month
start of summer days,
I am reminded of several lines of Tang poetry:
"And when your men had vanished beyond the city walls
News was cut off between the two worlds
As between the living and the dead..."

Seek truth from facts:
children dressed in white
short-sleeved students and workers on
black Flying Pigeon bicycles
angels of heavenly peace, eternal peace
"The People's Army loves the people."
What on earth more pure
than the heart of a Chinese youth?

*hao xiuxi—to rest well during afternoon nap

Susan Ruel is an editor on the world desk at the Associated Press and a former resident of Shanghai. Her article about the Chinese democracy movement appeared in the February 1988 issue of REASON.

Gorbachev's tête-à-tête with Deng and the reestablishment of party-to-party ties between the Chinese and Soviet communist parties, can convincingly argue that China would be a reliable ally in the event of hostilities, or that our intelligence stations will last one day longer than the Chinese find their telemetry data useful?

What of the fear that the bear and the dragon might resume their clumsy two-step of the 1950s? The summit meeting signaled not so much a rapprochement between Moscow and Beijing as a recognition that neither country should pose a military threat to the other. Both leaderships realize that the continued success of their "restructuring" efforts is critically dependent upon their ability to attract technology, credits, and investment from the West. Since neither has much to offer the other in this regard, too chummy a display of socialist solidarity would only raise apprehensions in the West and be counter to both their interests.

Equally unlikely—and much less threatening to U.S. strategic interests—is a turn to Japan. Memories of the Japanese occupation of coastal China in World War II, which was replete with such atrocities as the Rape of Nanking, still outrage the Chinese. Many also fear a latter-day version of the "Great East Asia Co-Prosperity Sphere" and so deal only reluctantly with Japanese companies.

★

Beijing's bloody crackdown must affect relations with China.

★

Given that China is an underdeveloped country, dependent on the West—and this means primarily the United States—for science and technology, markets, and capital, we have far more leverage vis-à-vis Beijing than is generally realized. Had the U.S. government spoken out more forthrightly before the June 3 crackdown came, the public bloodbath that stunned the world might well have been averted. If it speaks out strongly now, and backs words with deeds, the ongoing campaign of mass repression may be mitigated.

President Bush should make it far clearer than he has to date that the United States identifies with, sympathizes with, and will, where possible, aid those in China who struggle against totalitarianism and for democratic values and human rights. Perhaps Bush could pick a university forum—Notre Dame, where former President Jimmy Carter foolishly decried "an inordinant fear of communism" in 1977, would do nicely—for a major address on the subject.

Bush might then paraphrase the protagonist's parting soliloquy in Steinbeck's *The Grapes of Wrath*: "Wherever men and women oppose tyranny and reach for freedom, America's heart and soul will be there. Wherever men and women risk everything for a chance to control their own destinies, America's prayers and passion will be there. And wherever men and women are shot down in the streets or run over by tanks for peacefully requesting the freedom that should be their birthright, America's outrage will be manifest."

Another way to honor the courage and idealism so magnificently displayed in Beijing would be for the president to participate in a wreath-laying ceremony for those who died. A good place for this would be the small park across from the Chinese embassy in Washington, which has been named the Tiananmen Heroes Park. A replica of the Chinese Statue of Liberty has been on display there since June. It should be made permanent.

Since President Bush has stated that we cannot have normal relations with China until the killing stops, we should bring Ambassador James Lilly home to underline this point. Only when the Beijing regime has declared an end to its current campaign of repression and lifted martial law should he return to China.

The United States should also suspend its textile agreements with China, under which that country's state-owned mills have access to the U.S. market. Cheap clothes can be supplied by a dozen countries; there is no need to source them in China. Manufacturers in Taiwan and Hong Kong, to name just two, can supply clothes of better quality at the same price. Quotas that favor China currently prevent them from doing so. A new Chinese quota can be renegotiated by the ambassador after he returns to Beijing, if we decide to continue this distortion in the free market at all.

Those who counsel a do-nothing approach argue that there is no action we can take that will injure the Chinese leaders

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responsible for the massacre more than it injures the Chinese people. But this is not true. We can identify those who issued the order to fire on unarmed students—from Deng Xiaoping, Yang Shangkun, and Li Peng down to the commander of the 27th Army and his officers—and publicly declare them *personae non gratae*. Permanently barring 84-year-old Deng from visiting the United States will probably not adversely affect his travel plans, but it will cause him and his colleagues to lose face.

Beijing's leadership should also be put on notice that continued repression will cost them the permanent loss of the services of tens of thousands of their most talented people. Congress has already passed legislation extending until 1993 the visas of Chinese studying in the United States, allowing them to qualify for legal residency without returning to China unless the president certifies that it is safe for them to return. The United States will no longer act as a surrogate emigration enforcement agency of the Chinese government by forcing students who have completed their studies here to return to China.

More important still is our policy toward Hong Kong. The Thatcher government has stood silently by as, one by one, the supposed "guarantees" of a special status for Hong Kong have disappeared, and it has made no provision for those who prefer to live under a democratic regime to move to Britain. The United States should step into the breach, opening its doors to Hong Kong's business and professional groups.

As now written, our immigration laws make it difficult for any except those who already have family members in the United States to come here. Congress can correct this imbalance by further increasing the number of visas available to those with the talent and education to make a real contribution to American society and by creating a category for business people from Hong Kong and elsewhere who, through their investments and business acumen, will add to the dynamism of the American economy.

Our asylum policy with respect to Chinese nationals in the United States must be adjusted to reflect the renewed pervasiveness of political persecution in China. Those who have compelling reasons to fear return to the PRC include students who have been videotaped taking part in anti-government rallies in this country, diplomatic staff and their families who can no longer serve a government that brutalizes its own people, and young parents who wish to decide for themselves whether to have a second child, without the threat of forced abortion or sterilization. Chinese who express fear of persecution should be given the benefit of the doubt as their claims are weighed against the protests of a Chinese leadership that is shamelessly propagating the Big Lie in the aftermath of the Beijing massacre.

★

China depends on the United States for technology, capital, and markets. We should use that leverage to mitigate the repression.

★

Even more important than official statements and sanctions are our individual actions. If all of those with interests in China, from private citizens to large corporations, suspended their activities as long as martial law and the purge of democratic activists continued, I believe that the worst would soon be over.

With the first estimates of the economic damage caused by the unrest coming in, and with its international reputation irreparably tarnished, Beijing is nervously watching the United States to see if further sanctions will be forthcoming. The official newspaper, the *People's Daily,* sounded almost plaintive in its June 13 editorial: "We hope the U.S. side will emphasize the overall situation of Chinese-American relations...stop interfering in China's internal affairs and not do anything to hurt bilateral relations." In other words, please avert your eyes while we crush the remains of the prodemocracy movement.

We must act now and not be put off by official Chinese bluff and bluster about meddling in their "internal affairs." Premier Li Peng has been shown on Chinese TV congratulating a group of soldiers on their suppression of "counterrevolutionaries and hooligans." Deng Xiaoping, who has revealed himself to be a ruthless dictator in the Stalinist mold, has ordered the students who led the movement for democracy to surrender or be tracked down.

Now that most foreigners have left the country and TV cameras are no longer trained on Tiananmen Square, the purge is in full swing. Estimates that 10,000 arrests have already been made and that several dozen people have been shot are surely on the low side. Professor Juergen Domes, West Germany's most renowned sinologist, estimates that as many as 200,000 students and workers will eventually be caught up in the sweeps of the state security forces. If the past is any guide, many of their lives will be forfeit to the forces of Marxist reaction.

As in America two centuries ago, the tree of liberty in China is being nourished by the blood of patriots. If, at no risk to our own security, we can limit the number of human beings that the Chinese Communist Party turns into fertilizer, however, we are surely obligated to do so. ◼

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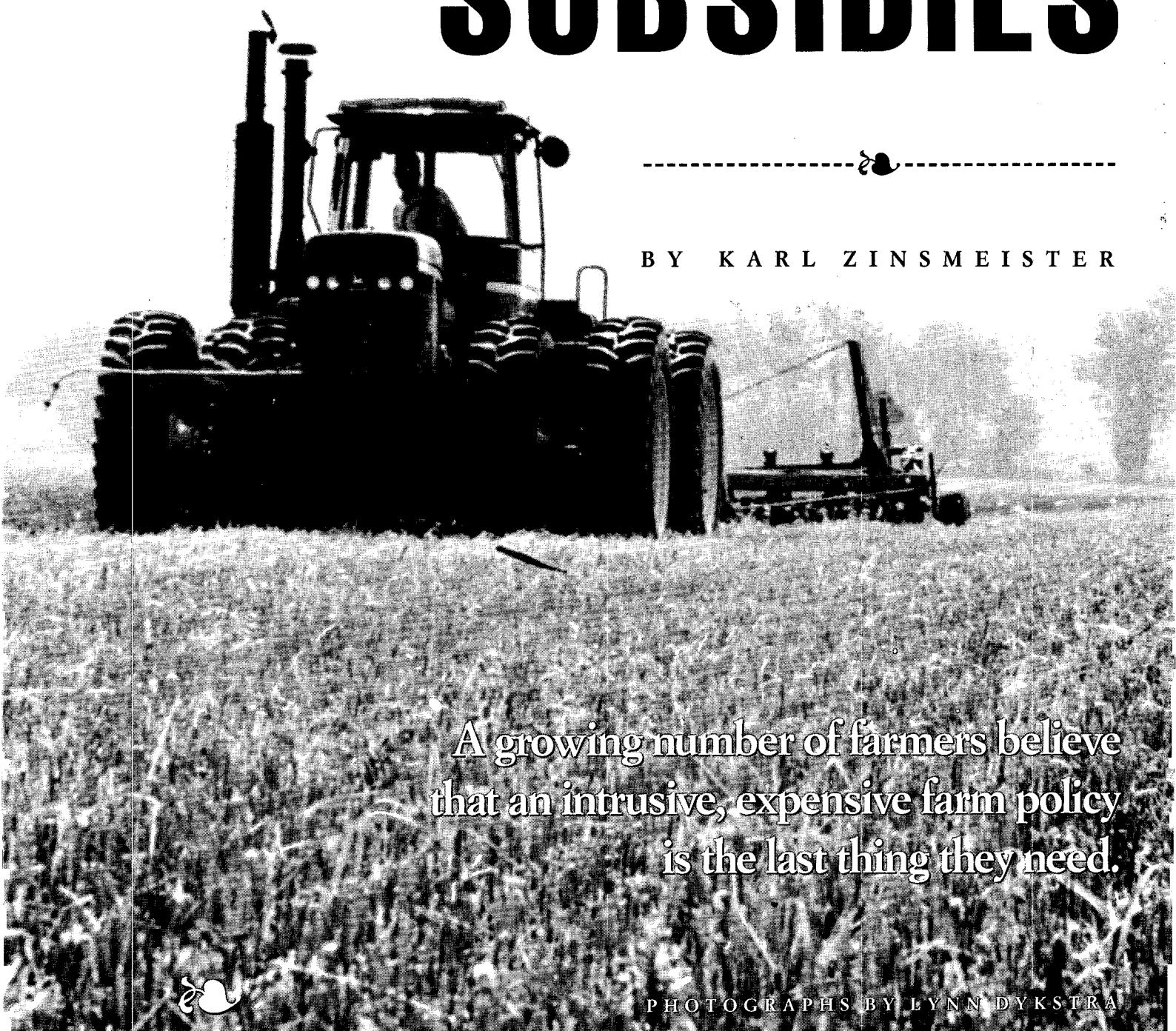

A growing number of farmers believe that an intrusive, expensive farm policy is the last thing they need.

PHOTOGRAPHS BY LYNN DYKSTRA

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Charles West is six-and-a-half feet tall, and broad. His speech is clipped, his energy level is high, and he walks with a pronounced limp—but fast. Vegetable farming is a quick-paced business, where up to three crops are harvested from a field in a single season, where you have only a few hours to get the job done when it comes time to pick, where tens of thousands of dollars worth of perishable goods can disappear in a blink, due to wilt, hail, or insect hatching. You've got to move to keep up with Charles West.

Luckily I've got him trapped in a pickup. The CB radio crackles with messages between combine cabs, mobile managers, and farm offices. The cellular phone chirps irregularly. As we bang along the field roads, we come upon an evening harvest. Eight migrant laborers and a fleet of machines stuff four mesh-sided tractor trailers with fresh spinach—sloe green and smelling like money. Within an hour the still-bleeding leaves will be swept away to West's 10-minute tunnel freezer. By early the next morning the entire great mound will be locked in crystalline suspension.

The farm lies on the Delmarva peninsula, a dangling tonsil of land rimmed with saltwater—the Chesapeake Bay to the west, the Atlantic Ocean just five miles east. The coastal land is as flat as a calm sea, which is critical for vegetable culture, since field moisture must soak in evenly and mechanical pickers need absolutely level terrain to jostle their quarry out of ground-hugging vegetation.

We circle to a nearby field where three massive, matching eight-wheel-drive tractors drag 10-point plows, shoulder to shoulder. As we watch, this 1,000-horsepower flying wedge turns a hundred acres of sandy earth into a dusty cocoa-colored powder. "Vegetables are terribly hard on the land," West booms above the telecom cackle. To put humus back into the soil and break pest cycles, he alternates vegetables with more-traditional field crops. "After growing spinach—hey—barley or wheat or soybeans are like an antiseptic on a sore. We plant them for that reason, though we don't expect to make money on them."

West and his son, Stanley, farm 8,700 acres, nearly two-thirds of that in multiple crops of peas, lima beans, sweet corn, cucumbers, carrots, and spinach. Their Milford, Delaware, operation is the second-largest vegetable farm in the 23-state northern region, according to *American Vegetable Grower* magazine.

Vegetable growing is big business—accounting for 15 percent of total U.S. crop receipts these days and growing fast. It is also far and away the most demanding segment of farming. Eighty-five percent of West's land is irrigated by massive spray booms. That investment has proved a godsend in the heat and dryness of recent years, but it is expensive. Vegetable farming costs from $500 to $1,000 per acre, compared to $400 to $500 for the next most intensive crop (rice), and approximately $200 to $300 per acre for wheat or corn. Growing vegetables also makes heavy demands on management skills, and it requires hired labor. Charles West Farms employs 26 full-time workers and 22 seasonal hands.

But there is a lot of money to be made in return for these efforts. West started from nowhere, leaving a furniture store job in 1953 with nothing but a $24,000 loan he somehow talked a local banker into staking on a lima bean visionary. Today, his farm grosses $4.2 million a year; his packing operation brings in another $10 million. So where are the local imitators of this one-man farming tornado?

In the main, they're farming something a lot less risky: government row-crop subsidies. Though vegetable growing has greater profit potential than any other type of agriculture, its rigors scare away lots of farmers. As a result, two-thirds of our broccoli and cauliflower are now grown abroad, as well as much of our green beans, peas, strawberries, and other produce crops. West evinces little sympathy for his more-timid brethren.

"It's simple: They're lazy," he barks. "It's *easy* to grow corn, any half-wit can do it. Most of those guys on the programs only actually farm for 9 to 12 weeks of the year. They don't want to have to think about anything during the winter. They don't want to mess with hiring labor. They'd rather get a boat and go to Florida."

What frustrates West most is the way government programs encourage warped farming. Since he built his freezing plant he has had an opportunity to deal with many of his neighbors from the vantage point of a processor as well as a fellow farmer. "Look," he says, "there are *no* vegetables in the country right now available to packers. There isn't any sweet corn, no limas, no peas. None to speak of. If I want to make up some mixed vegetable bags at my freezer plant I've got to look for supplies outside the country.

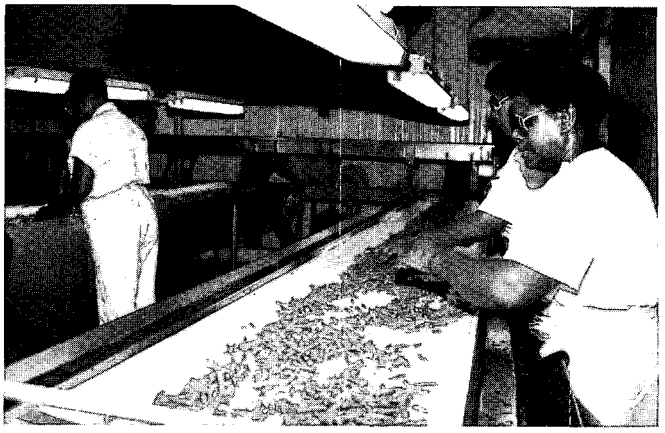
Charles West (right) discusses the grading of his cucumber crop with federal inspector Guy Edmunson.

"Right now, I got a load of peas in from Poland—full of snails! Junk. But you can't tell until they come in. If I had my choice I'd never deal with those particular suppliers again. But we will, because we can't get enough American farmers to grow this stuff!"

He continues, "I've also got some frozen Polish green beans a grocery store chain brought me for packaging. They were supposed to be snapped in 1½-inch lengths. Well, they arrived in 4-inch lengths. *We can't fit them in the boxes!* We have to put up with this kind of quality crap all the time, because American farmers are all too busy growing wheat and corn and other subsidized stuff so much in surplus we don't know where to put it, instead of growing unsubsidized vegetables.

"I used to have 8 or 10 growers in this area who ran their stuff through my freezing plant. This year they all dropped out because they can make more growing crops with government payments. So I had to go out and lease some land and get another harvester to keep up with my customers' demands for frozen vegetables. I'm currently packing 22 million pounds of product in my plant. I've got capacity to pack 28 million pounds. And I could sell 55 million! If I could get it."

Asked for his opinion on the best solution, West is even blunter. "These guys all want to do things like they always have, instead of getting with the times, specializing, taking some risks, hooking up in co-ops. The only thing to do now is starve them out. Put 'em on the street. It's this simple: There should be no subsidies in farming."



Green beans are processed at West's frozen-food plant, which relies on foreign sources for much of its vegetable supply.

One of this nation's deepest and broadest collective attachments is to what one observer has called "agricultural fundamentalism." American romantic devotion to the image of the "family farm" is nearly universal. The power of that attachment is illustrated by the fact that every five years or so, in this country's only extended dalliance with economic central planning, we formulate a top-down national policy influencing even the most minute details of farm existence, then put billions of dollars behind it.

The 1990 version is being cobbled and quibbled over even now. And if the past is any guide, it will be founded in many places on some breathtakingly faulty assumptions about who farmers are and what they need. As we will see in this and subsequent articles, present farm subsidies and controls are inflicting heavy penalties on U.S. agriculture. We've long known the financial costs of farm programs to taxpayers and consumers. They are measured in the tens of billions of dollars annually. More recently, farmers themselves have learned that there is a price tag: in increased costs, distorted production, lost markets, lagging technology, unsound conservation and environmental practices, decreased long-term income, and diminished independence and self-worth.

When the executive director of the Australian National Farmers' Federation visited Capitol Hill in the spring of 1989, he told dozens of members of Congress that he is a farmer and he is against subsidies. "They refused to believe me," Rick Farley told me. "They insisted it was a contradiction to both be a farmer and be against government subsidies. An economist, OK, but not a farmer."

Anyone who actually goes out and talks to American farmers today, however, will quickly discover the members of Congress are badly mistaken. Though their views may not be reflected in the Washington offices of the farm lobbies, a large and growing number of farmers now believe that an intrusive, expensive farm policy is the last thing agricultural America needs.

Most of the public and many politicians don't realize that *most* of American agriculture already operates free of government entanglement. Only about 30 percent of U.S. farms participate in direct payment programs. The unsubsidized two-thirds of American agriculture includes more than 200 commodities, and not coincidentally this segment is the healthiest, the most profitable for farmers, and the most efficient for consumers.

Nothing fundamental requires one part of agriculture to be protected while the rest is not. Dairy producers say their product is too perishable to be traded on a free market. That may once have been true, but it isn't any longer in an age of refrigeration, reconstitution, and fast roads. Besides, eggs are also perishable, and unprotected by farm programs, yet that hasn't prevented any Americans from having access to fresh eggs.

California and Arizona orange growers claim they couldn't possibly get their crop to buyers in an orderly way and at a reasonable price without government marketing orders, which artificially restrict supply. Yet Florida orange orchardists do just fine without any help, as do livestock and poultry growers, most vegetable and fruit producers, and others in market-based sectors. The competitive successes of America's unsubsidized farmers confound the claim that agriculturalists cannot survive in a free economy.

Moreover, measures enacted for the benefit of one group of farmers often penalize another. Farm policy is a vast, tangled, often internally contradictory web. Iowa Rep. Fred Grandy (R) likes to say that "farm policy subdivides more times than a chromosome." Very often the constituent parts end up pitted one against another.

When the federal government paid for the slaughter of a million cows to support milk prices for the benefit of dairy farmers, beef prices tumbled. Cattle ranchers—independent and free of handouts—suffered for more than a year. When Charles West goes out to lease more land for his operation, he must bid against row-crop farmers whose margins are fattened by a yearly government check. When pumping water out of his wells to slake his cucumber fields, he must compete with counterparts in California who have the benefit of water subsidies. Those same subsidies allow California rice growers to discomfit Gulf Coast farmers, who must flood their own paddies.

The unsubsidized two-thirds of American agriculture includes more than 200 commodities. Not coincidentally, this segment of farming is the healthiest, the most profitable for farmers, and the most efficient for consumers.

One clear example of the differential effects of farm programs concerns feed-grain farmers and animal raisers. About half of U.S. farm income comes from animal production. Poultry, beef cattle, and hogs primarily eat corn, as well as milo, barley, and other program crops. Feed costs account for about two-thirds of the expense of pork production. The figure is even higher for beef, slightly lower for poultry.

Obviously, then, changes in government price supports on corn and other feed grains can make or break unsubsidized livestock farmers. "Whenever low grain prices give poultry farmers a chance to make big profits," Virginia poultry producer R.H. Strickler told the *Wall Street Journal*, "there's this inclination to do something for the grain farmers." Yet "the government never does anything to reduce the cost of grain to those of us who have to buy it."

Texans are notably open-minded about speed limits, and as you flash south out of Dallas it doesn't take long until you begin to get into some hilly, tree-covered land. Approaching Richland (Pop. 260) the spaces are wide open and the very air vibrates with agricultural rhythms. The ditches and roadsides along Farm to Market Route 3194 are thick with great splashes of Texas wildflowers: buttercups, primroses, fiery spikes of Indian paintbrush, and yellow tumbleweed blooms. And of course bluebonnets, the lupinelike natives that stain entire pastures an unnatural azure and drench the air with a sour, cloying perfume.

As I pull up the gravel road leading to Bobby Wilson's small split-level, the visual music unexpectedly glissades even higher. The house perches on the edge of a great faultline, and down below a valley stretches forever, dotted with tree clumps and watering holes and cattle. Bobby Wilson's cattle.

Wilson is a thin sandy-haired man, quick to make a point, with the cautious and skeptical temperament you might expect from a father of four daughters. He runs 150 cows with some bulls and every year they produce a crop of offspring that he either sells for fattening or grazes himself to yearlings. At any one time he has up to 600 head of stock on hand.

Wilson is a small-scale but respected rancher in the nation's leading ranching state, where 12 million cattle are sold every year. He is active in the Farm Bureau and the Cattlemen's Association and is up on the latest developments in breeding, marketing, and exporting. And he knows exactly what he wants Washington to do for him in the next farm bill: "The best thing the government could do is stay out of the way," he says quietly.

The constantly changing rules, the subsidies for competing products, the elevated costs of inputs, the distorted markets—these are his experience of farm programs. And Wilson worries that thanks to the increasing politicization of American agriculture, the next farm bill will become a target of the burgeoning swarm of Washington-based environmentalists. Then he will be saddled with a heavy load of new controls and regulations, despite never having received a government check in his life.

The feeling of political vulnerability is growing among all farmers. They realize that in an era of long-term fiscal pressure their subsidies—which grew at a faster rate than any other part of government during the early 1980s—are being eyed hungrily by all manner of budget wolves. They know that although farm income is now near an all-time high, it is a highly artificial accomplishment. Seventy-two percent of Iowa's net farm income last year came in the form of government checks. In Illinois it was 94 percent. Nationwide, Uncle Sam provided 36 cents of every dollar of agriculture profit.

"These programs are simply costing too much and not doing us a damn bit of good," worries Illinois farmer Ray Cheline. "Judgment Day is coming."

One of the first things one notices when studying the U.S. farm programs is how very little they have evolved in the more than 50 years since they were born, in the same Depression spasm that gave us the National Youth Administration, the Civilian Conservation Corp, the Works Progress Administration, and other perishables. "Agricultural stabilization" (described by New Dealers as "the greatest single experiment in economic planning under capitalist conditions ever attempted") may be the only portion of the vast New Deal legacy, other than Social Security, that continues to operate in more or less unaltered form.

Having walled off a significant number of farmers from the rest of the economy for a half century, insulating them from both negative pressures and positive innovations, the programs have led many to avoid hard choices and new thinking. "Farmers don't cut back as much as you might expect—as much as they ought to—when prices are bad," one Kansas farmer told me. An Indiana grower reported, "I tend to think in terms of a five-year average before I start considering changing something." Even given the environmental fluctuations that complicate farming, that is a very slow uptake, one that would lead to ruin in nearly any other economic sector.

Some farmers aren't even sure when they are making money and when they aren't. Specialists who consult with farmers on financial matters estimate that only 10 to 25 percent know their true costs of production. As Iowa extension agent Mike Duffy points out, "Corn farmers around here don't really *need* to know their costs today. Government support levels are set so high even the poorest performers can cover their expenses."

Nor are some farmers inclined to adopt business practices. "Most farmers chose their occupation thinking that it didn't require office work," notes farm consultant Eldon Hans. "They think: This is a job where you can work in the open air and run machinery. They don't want to be students of business management. They don't want to sit at a desk."

Part of the problem is generational. Literally since the nation's founding, as an intrinsic part of industrialization, the number of farmers has been shrinking. As a result, agriculture is always top-heavy with older practioners. The 1980 census found that 23 percent of the nation's farmers were age 65 or older, and 41 percent were between 45 and 64. Only 36 percent of all farmers were under 45. By contrast, more than 70 percent of all other U.S. workers are under 45.

Older farmers understandably tend to favor traditional ways. Many grew up with the deeply imbedded notion that industrial America aims to exploit rural America and that farmers cannot compete on free terms. They often distrust processors, commodities traders, bankers, consultants, and brokers, and sometimes fear antifarmer conspiracies.

Many are skeptical about market-based solutions to agricultural problems. They tend not to be as export-oriented as their younger fellows. They are usually not attuned to the idea that farmers must increasingly create markets as well as grow crops. They are nervous about attempting new production and conservation techniques. They are not information-oriented. Some of them feel they were led to believe that the government would take care of all these things, and they are frankly bewildered.

Leo Zilik is a hearty, unkempt, friendly man. Though strongly opinionated and possessed of a colorfully filthy vocabulary, he is naturally good humored and verbose. From his Slavic ancestors he inherited a love for the polka and the waltz, and many Saturday evenings find him on the dance floor in one of the rural halls that sustain Texas swing music. Handing me a plastic cup of iced tea across his kitchen table, he begins to wind up.

Equipped with a tractor and a food-science degree, Steven West harvests cucumbers at his dad's farm.

Zilik (not his real name) grew up in another era and feels betrayed by modern times. A series of ill-advised and careless blunders have kept his farm in trouble for years. Broken down in his yard is an advanced tractor too complicated for him to maintain and too costly for him to have serviced. He borrows a neighbor's equipment much of the time. A hasty decision a few years ago to try growing rice, a high-paying but difficult-to-husband crop, ended in disaster. Stumbling toward the retirement he has craved for years, he keeps hanging on to

pay one more set of bills. A few years ago the bile he nurses for a world rushing by him perforated his ulcer, so he now indulges his grudges in short fits only.

Zilik's golden age came during the fatly subsidized 1950s and '60s. Since then, things have become too complicated and too costly, and he doesn't understand why someone doesn't *do something about it*. Any farmer who works hard, as he clearly does, *deserves* a good living, Zilik believes. It's only that the goddamn city people and the politicians and the rich are trying to starve the farmers out with a "cheap food" policy.

"The guy that wants to work needs what? A lunch bucket and a car!" screeches his wife from under her rollers. "The farmer—look at what he gotta invest! It ain't fair."

A member of the Texas Farmers' Union, a follower of controversial Agriculture Commissioner Jim Hightower, and a self-described "populist," Zilik prescribes an aggressive, even violent, politics. He believes that all prices are set in offices somewhere and that only by "fighting the sonsabitches" will farmers get a "fair deal." In this he represents the same strain of sentiment that led the American Agricultural Movement, the one-time "tractor-cade" organizers and current enthusiasts for "supply control" as a route to agricultural salvation, to demand in 1978 that Congress simply pass a law decreeing that wheat could not be traded for less than $5.00 a bushel (market prices were about $2.50 at the time).

This idea, after all, is not radically different from the way farm programs already operate, and that is where the sadness comes in. Zilik has obviously suffered genuine humiliation from his farming travails. Mostly, he feels abused and manipulated by the failure of the government to deliver to him the automatic prosperity he feels the farm programs promise.

Once he tried to give up farming and make a go of it as a welder, a trade at which he is quite skilled and from which he no doubt could have supported his family with pride. But he was lured back by the delusions of a guaranteed income and false hopes inspired by a brief uptick—the ephemeral prosperity that periodically surges through rural America, thanks to government policies that presume to suspend the laws of economics and human nature. Eventually discovering he remained susceptible to economic gravity after all, he hardened into a bitter, tragic figure.

Today the chatty dancer has abandoned even life's most sacred loyalties. He openly resents the money he must pay on his ailing wife's health insurance. He vents his reluctance to pass the farm on to his son—who has labored beside him for years—threatening instead to sell it for cash proceeds. He vituperates against his nation, his Texas, his neighbors.

"If I was a construction worker in Dallas instead of a rice farmer, and I paid income tax and saw what farmers got, I would have lots of problems with that," says Loy Sneary.

Happily, for every Leo Zilik there are several Loy Snearys. Son of an asphalt contractor in Dallas, Sneary grew up assuming he'd end up in his father's business. He went to college at Texas A&M, majoring in sociology and psychology, and chuckles to think that at one point he thought about going to work in urban planning. But he got himself a wife and her daddy was a rice farmer, one of the pioneers who farmed with mules in the early years after the industry took root south of Houston during the 1920s. The father-in-law offered the newcomer a chance to become a rice grower.

Weighing their options carefully, Sneary and his wife decided to split their furniture and get two apartments—one in Dallas, where Loy coated parking lots during the winter, and one in Bay City near the Gulf Coast, where he flooded fields and grew rice plants all summer. Eventually, he made rice his life.

Sneary is now one of the leading growers in Texas, in many ways the nation's most important agricultural state. In the afternoon of the day we met, he was scheduled to head off to Austin to participate in a Texas Farm Bureau project on the role of government in farming. The group is charged with making recommendations to the state's farmers on what their priorities ought to be in the 1990 farm bill and beyond.

Sneary has a 350-acre rice base, but the plant can be grown economically on a particular field only once every three years, so he rotates his plots over a much larger spread and pastures 500 head of cattle on the fallow land. Rice farming is a tricky, scientific undertaking. To achieve a uniform flood on the paddies, the earth must be precision-leveled using laser-guided land planes. A lot of seeding and chemical application is done aerially, at high cost and considerable danger, and water expenses are high. In this area, the sources are deep wells, 1,100 feet down, which cost more than $100,000 to sink.

As I follow Sneary on his morning rounds, he carefully lubricates, then starts the large new diesel engine he has installed to power his pump more economically than an electric motor. Soon an 8-inch pillar of icy groundwater is pounding out and coursing through the intricate network of routing canals.

A handsome, athletic man with salt-and-pepper hair, Sneary seems to be able to work without rumpling his spotless khaki shirt and crisp jeans. He is a precise person who states repeatedly, "We need to get educated on this...," or "I tried to educate myself on that...." Water flow rates, fuel costs, chemical usage levels and suchlike are on the tip of his tongue. He is an advanced, forward-looking young producer, one of the impressive number of farmers I met during my 12-state

Farmers such as Charles West, who run their farms like businesses, know the value of computers.

wanderings who could have made successes of themselves in any occupation.

But his is not a typical industry. At the moment, rice is one of the most heavily subsidized of all American crops. Farmers are getting $10.80 per 100 pounds of rice they produce. Of that amount, less than two-thirds comes from their market sales. The rest arrives in the mailbox from Uncle Sam. As market prices fluctuate, the reliance on federal payments varies. But the current situation clearly leaves Sneary uneasy. "To be honest, if I was a construction worker in Dallas instead of a rice farmer, and I paid income tax and saw what farmers got, I would have lots of problems with that," he says.

"There's no way I can say that most farmers haven't lost some self-respect, whether they admit it or not," he sighs. "Don't get me wrong—I'm critical of the programs, but I participate in them. So long as they exist, I've got to." His position is similar to that of the person who continues to claim an objectionable tax deduction while campaigning against it. So long as it is on the books, available to competitors and distorting underlying economic relationships, most business owners have no choice. That is why it is so important to think clearly about the incentives we set up in federal farm programs—because as soon as they are in place, they dictate the required behavior.

"No question, I think government ought to be a lot less involved in agriculture than it is," says Sneary. "When I first started farming more than a dozen years ago, the talk among farmers was positive—yields, new products, growth. Now everything is defensive: What are the new government programs going to do? What will the target price be?

"I'll tell you," he concludes, "the efficiency of American agriculture has been reduced so much in the last 10 years thanks to paper shuffling it isn't funny."

Sneary knows whereof he speaks. He is one of three farmers elected to serve on the citizen review committee of the local Agricultural Stabilization and Conservation Service (ASCS) board. There is an ASCS office in each of the nearly 3,000 agricultural counties in the nation. They are the local government entities that police and implement this nation's farm policy, and they have staggering authority over the nittiest gritty of farm production—what will be planted, where, when, and so forth. Doing a term on the ASCS panel is a kind of obligation of good citizenship for leading local farmers. For several of the growers I spoke with, their service led to a turning point in their thinking.

"In the last three years, the number of hours required of our [ASCS] committee probably tripled," says Sneary. "Between the federal, state, local, and county requirements, it's mind boggling how much interference there is with our production decisions. It's definitely getting worse."

Some of this growing intrusion stems from calculated bureaucratic expansionism. The rest is just an unavoidable complication of the spiraling of a planned economy. Take tractors, explains Sneary. When the Congress pushed crop support prices way above market prices beginning in the early 1980s, some individual farmers got very gaudy payments from the taxpayers. The killer from a public relations standpoint came when a distressed family farmer named the Prince of Lichtenstein got a check for a million bucks to help his East Texas spread scrape by. In the aftermath, Congress established a cap of $50,000 as the most any one farmer can receive in direct payments.

That doesn't sound so bad. But rice, as we've seen, is a capital-intensive crop. There is a lot of cash flow when a rice farmer sells his harvest, but there is also a lot going out every week in expenses. A $50,000 federal payment cap means that the largest operation that is economical is only around a couple hundred acres. Which gets us back to Sneary's tractor story.

"There were lots of guys who were geared up to grow 1,200 acres of rice. They'd sunk the wells, they'd bought a bunch of big tractors and combines, and so on. Suddenly they had five or six times as much equipment as they could effectively use." Why didn't they just drop out of the federal program and farm as much as they wanted without any government payments? Because the federal programs by their very nature depressed market prices to the point where they didn't adequately cover the costs of production. As a result, a lot of family farmers who'd stretched themselves to get modern had to take several steps back down the efficiency ladder. Back toward Sneary's father-in-law and his mules.

Even without perverse farm program incentives, it can be hard for farmers to adapt to the high-tech, fast-moving demands of modern agriculture. For every instinctive progressive like Loy Sneary, there is another farmer who needs a jolt to help him break old ways and try something

new. A little less than two years ago, Randy Justiss lost an 18-year-old daughter. "I spent a lot of time just sitting here, thinking about that, and about a lot of other things." His grief and period of withdrawal seem to have led eventually to a fresh willingness to approach old problems in new ways.

That winter he finally sat down and learned to be comfortable with the IBM PC jr. he had bought four years earlier and never used. Today he follows real-time quotes of commodities futures and options prices in Chicago and Kansas City. He can punch up a weather advisory or a crop report at his office terminal. Recently, he and a brother-in-law became partners in a grain elevator. They bought local farmers' output on forward contracts and immediately sold the promised goods back to brokers in the commodities centers.

With his son and one Mexican-American helper, Justiss farms 2,700 acres of wheat and milo. He is one of only about a dozen farmers left in fast-growing Dallas County, but he has found a way to prosper in spite of the high land prices development has brought on. Except for the site of the barn where he stores his three tractors, two combines, and other vehicles and rigs, all of his land is now leased. He is gradually going to lose access to his fields, he knows, as subdivisions and industrial parks creep outward from Big D. Meanwhile, though, he is able to do quite well—because speculators keep rents low so they can take advantage of agricultural-use property tax reductions.

Market prices for wheat are rising toward the high government-guarantee levels—thanks to tight supplies brought on by last season's drought—and Justiss has dropped out of the federal wheat program. He is planning to lease as much land as he can lay his hands on next year and put it all in wheat. He is also considering buying put options in the futures market to hedge much of the crop. In short, Randy Justiss is bursting out all over. He is running his farm like the capital-intensive, speculative, highly modern business it is.

A barrel-chested, deep-voiced man in a plaid shirt and a cap, Justiss is a model of the new American farmer—hard-working and rugged as ever, but also fastidious and attentive to mental detail. As I sit watching in his tidy office he tickles a price quote for July wheat out of his computer. "It's easy when you're a farmer to just keep on doing things the way you've been doing them," he admits. But habitual ways are beginning to change all across agricultural America, in some places fast.

Ignorance is no longer an excuse. American agriculture has always had a superb technical dissemination wing for new production techniques. For years, land-grant colleges, the USDA's Agricultural Research Service and field agents, and various private groups have empowered common farmers with the latest research in an astonishingly successful way. When it came to the financial and business end of farming, however, the resources were thinner.

But farming is now jumping into the entrepreneurial age. Justiss is hooked up to an on-line service offered since 1981 by the American Farm Bureau Federation to any of its 3.7 million member families. For $20 to $40 a month, any farmer can have toll-free access to all the national financial exchanges, a national news wire from Washington, D.C., a local and state news service, a 5-day, 10-day, and long-term weather forecast, a database of government reports with all current releases, a Farm Bureau advisory service, and more. With a satellite dish the farmer can get it all even more cheaply. The Farm Bureau will also sell any farmer a computer, at a reduced rate, and supply three days of training right at the farm.

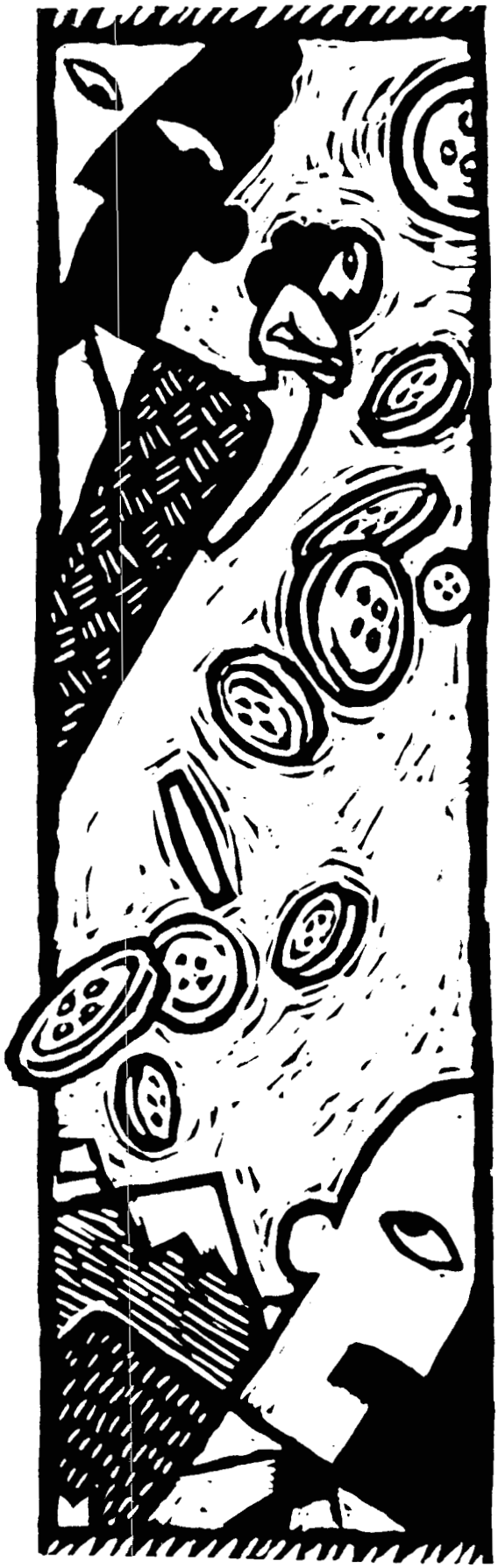
"Corn farmers around here don't really *need* to know their costs today," says Iowa extension agent Mike Duffy. "Government support levels are set so high even the poorest performers can cover their expenses."

State extension services continue to be tremendous grassroots resources in rural America. Fourteen states also have chapters of the Farm Business Association, a nonprofit private group that offers a wide range of specialized consulting for a nominal fee (about $500). Among other services, its consultants will visit a farm to advise on tax planning, diagnose animal diseases, suggest crop rotations, or aid with bookkeeping and sales decisions. The bottom line: Probably no other small business sector in the American economy has as much competent and low-cost technical advice available to it as family farming.

And farmers are picking up on it. They are computerizing. They are beginning to form marketing clubs with pooled money and information as a way of initiating themselves into private commodities trading. They are setting up accounts with brokers. They are diversifying into new ventures. They are adopting new technologies. They are self-insuring against weather hazards and price downturns. "As people get started," says Justiss, "word of mouth spreads. And when folks get so they understand it and realize what's now possible, I guarantee they will be interested."

After years of relying on others to guard their economic security, farmers are taking measures to increase their competence and flexibility, to protect the birthright of their farm equity, to increase their economic independence and cut their reliance upon the federal sugar teat. A privatized structure of agricultural income support is at last beginning to rise. ■

Contributing Editor Karl Zinsmeister is a Washington, D.C.-based writer and an adjunct research associate at the American Enterprise Institute. This article is the first in a four-part series. Next: Why billion-dollar government programs hurt farmers.



What's Wrong with Latin American Economies?

Elections without democracy, regulations without law, a private sector without capitalism

BY HERNANDO DE SOTO

Marxists in Latin America, and others whose ideology is contrary to market economies and democracy, describe the poor as an oppressed proletariat with no interest in entrepreneurship and free markets. Our research in Peru indicates otherwise. While only about 5 percent of Peruvians belong to labor unions, more than 60 percent are entrepreneurs.

BONNIE MACKAIN

These entrepreneurs, however, operate illegal businesses in the black market, the "informal" sector. This raises the question, Why are they illegal? Is that a Latin American characteristic—that half the people are dishonest and are culturally not made for doing deals above the table? Our researchers at the *Instituto Libertad y Democracia* set out to discover why almost two-thirds of the man-hours in Peru have to be worked outside the law.

We set out to measure the cost of the law, especially to the most disadvantaged sectors of society. But instead of asking lawyers what they thought the cost might be, we went out and started firms ourselves. The first was a small workshop on the outskirts of Lima. It had two sewing machines and produced garments.

Four students, including a lawyer, went window to window, complying with the requirements of the bureaucracy. Working six hours a day, it took them 289 days to register the firm and operate legally. We just finished the same experiment in New York City, and it took us four hours. In other words, a Peruvian has to work 433 times as many hours as a North American before he can start a small enterprise.

It took our researchers in Lima 289 days to legally register a small garment firm. In New York City, it took four hours. So a Peruvian has to work 433 times as long to start a small enterprise.

The same is true with street markets. It takes a group of street vendors, from the time they get organized to the time they are authorized to build a market, more than 12 years to get the necessary authorizations. Of the large retail markets in Lima, 274 were built illegally by "informals," while only 57 were constructed by the state.

When it came to housing, we found similar results. Most Latin American cities are surrounded by small, poor houses, neighborhoods called "young towns" in Peru. Most of these homes are illegal. We discovered the reason why. If I were the secretary-general of a small housing association with 100 families and wanted to legally obtain some abandoned government land and permission to build houses on it, I would have to visit 52 government offices and fill out 207 different forms. In total, I would have to work 8 hours a day for 6 years and 11 months before the land could be purchased or conveyed for housing purposes. Not surprisingly, in 1985 there were only three legal conveyances of land in Lima and more than 282 "invasions," illegal occupations of government land.

The costs of excessive laws include not only the costs of entering the market but also the costs of remaining legal. Of every $7.00 that a small legal enterprise pays to government, $1.00 is in the form of taxes, and $6.00 is in the form of bribes, social costs, and bureaucratic red tape. The law is a very costly thing for most people in Latin America.

Some critics suspect that Third World entrepreneurs work in the informal market not because regulations keep them from becoming legal but because they want to avoid taxes. But most informals in Latin America do pay taxes. Very little of the tax revenue in a country like Peru comes from direct income taxes. Most comes instead from excise or consumption taxes. One of the Peruvian government's biggest sources of revenue is the gasoline tax. Since 95 percent of public transport is informal, the informal sector is one of the biggest contributors to government.

Also, the government finances itself by running huge deficits, creating a high inflation rate. The people who actually pay for inflation directly are those who have to hold large cash balances. Those who hold large cash balances are, of course, the informals.

There are a variety of excise taxes. Street vendors in most Latin American countries, including Peru, pay an excise tax every day to the police. The municipality of Lima collects twice as much from this tax on street vendors as the government collects for property taxes in the whole formal sector in all of Peru.

The informals do not operate outside the law because they want to, but because the cost of the law is enormous. They are not trying to avoid the law. We have documented what we call the extralegal norms of the informals—the common law of the black market. This common law recognizes property rights. Informal entrepreneurs know how to settle disputes. They have their own register of property ownership, their own torts, and their own insurance system. But, of course, the system is weak because their rules cannot be enforced by government.

Our researchers measured not only the cost of bad law but also the cost of not having good law. Take the example of property rights. We found two young towns in Lima with different degrees of development. One had three-story buildings with television sets lit behind the curtains and Toyotas and Volkswagens downstairs. It had neatly trimmed lawns, and you could reasonably describe it as a middle-class neighborhood.

Across the road was your typical shantytown: corrugated iron, cardboard walls, poor sanitation. So we assumed, obviously, that these were two towns of different levels of cultural and economic development. But our advisers from the ministry of housing told us that both of these towns had been started together by the same kind of people—as a matter of fact, by migrants from the same Andean village. We spent a year studying them, and we found that the difference between them was that the people in the nicer town had titles to their land and those in the other town had no titles.

The mayor of the first (these towns all have illegal but

democratic elections) had dedicated most of his time to obtaining property titles. He had not only walked the long corridors of Peruvian bureaucracy but had also petitioned government in more than one way. For example, he gave this town the name of the wife of the president of the republic, changing the name when the president changed. Then when they got the titles, he gave the town the name of their real hero. Ten years later, the value of the homes was 41 times greater than in the other town. When people are certain that the property belongs to them, when uncertainty is eliminated by a good property right—whether the property is owned by an oil company or a poor Peruvian—they invest. They begin to change their human capital into physical capital.

At the same time, they have collateral for loans. In the United States, about 80 percent of your small enterprises are financed through mortgage loans. Mortgage loans are possible because your land and your homes are titled. Only 3.5 percent of Peruvian homes are titled. One should not be amazed therefore that Peruvians don't get ahead. They have no way of converting secure property rights, even when they've obtained them, into credit—without which it is impossible to conceive a business.

Every five years in Peru we have elections. We elect a dictator. You've confused it with democracy, and so have we. But it has none of the accountability that makes a democracy.

Also, of course, the possibility of renting homes and obtaining additional income is greatly reduced. Nobody wants to have somebody renting the second floor when the building's owner doesn't have a title, because when somebody does come around to grant a title the person renting the second floor will say the home is his.

This lack of property rights accumulates one form of anarchy over another. If you have in the informal sector no property rights, no credit, no courts to settle disputes, no courts in which to complain against bad government action, no possibility of making long-term arrangements on the basis of which to make future investments, if you have no way to secure your labor, if you have no way to capitalize yourself by paying salaries at the end of the month, so you can actually use other people's work as an investment—then your possibilities of being prosperous are largely diminished. It's the law that gives you those advantages, including the law of limited liability.

A Latin American operates with unlimited liability. That is the maximum uncertainty. If a Latin American takes a risk and loses, his liability is totally open. He will lose not only his business, as you do in limited-liability companies, but his car, his home, his mattress, his TV set—practically all his assets. He can't spread the risks around. He has no way of buying insurance.

The two traditional countries that are examples of wealth are Switzerland in the West and Japan in the East. Now, Switzerland has no cocoa, and my country does have cocoa, yet Switzerland produces better chocolate. Japan has no iron. My country does. But Japan produces more and better steel than Peru. Owning natural assets is not sufficient. A country must be able to assemble the necessary resources to develop assets productively. The ability to pool resources is crucial.

Now how can you pool resources? You must have contracts that allow you to combine them in the most fruitful manner possible. Imagine that a friend and I discover ourselves in the informal sector of Peru. We decide we have talent and resources we want to pool together. I have a little button-making machine, and I make the best buttons in Lima. My friend knows how to sell buttons. He knows how to make the contracts, he knows who needs the buttons, he knows people who trust him—he's got that kind of talent. We decide we could start the big button industry of Peru and even become exporters.

We agree that owning this asset of a button machine gives me more rights to the business than my friend, so we'll split the profit 60-40. We shake hands on that. My friend goes very happily to his home and sees his wife. She says, "Now, wait a second. Think it over. This fellow, De Soto, you barely know him. This fellow, De Soto, after a year will know who your clients are, whom to sell to, when to sell, and how to sell to them. After a year, he won't need you. He will no longer keep on giving you 40 percent of your business."

And my friend thinks it over and agrees with his wife. Right now, he thinks to himself, there's a great sort of friendship budding. But within one year, he worries, when it comes time for De Soto to give me 40 percent of the profit, he might think differently.

As a result, my friend will choose instead to associate with a relative—someone in his extended family. And that person won't produce buttons as good as mine. So they will have a little company that isn't going to be very prosperous. I'll have to do the same. I'll find somebody to sell buttons who trusts me because he happens to be family of mine. But he just doesn't sell buttons the way my friend can sell buttons. And therefore, the two talents that were required to make a successful industry in Lima will not be able to merge. Then some anthropologists from Cornell University will come to Peru and say, "Look at Peruvians. They like to work in small family units."

It is not that Peruvians, or Salvadorans, or Venezuelans like

to work in small family units. Nor are our families any closer than yours. It's that we have no other resources with which to get associated, because the law does not work for enterprise the way it does in your country.

To analyze how good law gets made, and why Peru doesn't have good law, our researchers began to analyze—and count—our laws. We found that the government of Peru makes 27,000 rules a year. That means 111 rules a day. The most extraordinary feature of these 111 rules a day is that 99 percent are made by the executive branch and only 1 percent by the legislative branch.

Consider the contrast with the way you make rules in the United States. First, you have the common law. Thousands of courts spread throughout the United States produce rules through jurisprudence. This lawmaking is not centralized in monopolistic hands. There is not one family or one person who controls it. There are thousands of people. The law is spread around. It is not perfect, but it is not the monopoly of any one person.

The second way you produce rules is, of course, through Congress. To be elected a representative in the United States, you've got to be more popular than whomever you're running against. And if you want to be reelected, you'd better vote the way people think you should vote, because they keep records on you.

In my country, that isn't the way parliamentarians are elected. Parliamentarians are elected according to a system of lists. If I want to be elected, I've got to be in the highest position possible on one of the political party's lists. And the people do not decide who gets high on that list. The leader of the party does. So my incentive is to vote the way the party structure wants me to vote. So even that 1 percent of Peruvian laws that comes from parliament is produced under different incentives from ours. It begins to be clear how 289 days of obstacles to starting a business can be created.

The third way to create laws is through the executive branch. The executive branch in the United States has gotten more powerful each year. But, nevertheless, you have ways of controlling it. First of all, no important regulation comes down without following Office of Management and Budget procedures. Everybody is required to bring out laws not only structured in such a way that they can be easily read but also accompanied by a cost-benefit analysis. And people who don't agree have the opportunity to come in and modify the law through comment and public hearings.

Through the whole process, there is access to public information. Any North American can get public information. The press certainly can. In my country, there is no access to public information. In fact, it is forbidden by law.

Our courts are not governed by equal-access-to-justice laws that let any citizen challenge a rule that is substantially unjustified. We have no General Accounting Office that acts as an ombudsman. We don't have referendums, which the Swiss use to repeal laws. We don't have any of those feedback mechanisms that keep government continually in touch with people and that can prevent them from producing those terrible laws that affect most Peruvians.

Every five years in Peru we have elections. We elect a dictator every five years. You've confused it with democracy, and so have we. But it's only elections. It has none of the accountability and none of the feedback mechanisms that really make a democracy.

When we come to the United States looking for someone who can explain how the feedback and accountability mechanisms actually work, we can't find such a person. It's not just that we don't know how a democracy works; you don't know how democracy works, either. Over 250 years, you have built this system whereby government is more or less under control. And because it's been done spontaneously, you've never made a blueprint.

The mercantilist system can no longer hold these people who were supposed to be on the other side of the dual economy. The informals are the budding Boston Tea Parties of the Third World.

The terrible result is that you can't teach it. If you can't teach it, then when you start talking about democracy you get satisfied with small things, like when we have elections. But elections really don't mean democracy. Democracy has not failed in Latin America. It's never been tried.

This situation affects the formal sector as well as the informal. The property rights of most Latin Americans even in the legal sector are not secure. Most governments are allowed to expropriate for social needs, and "social needs" are not defined in any of the constitutions. The definition can be chosen arbitrarily by any government.

The definition of property rights in Latin America does not include contracts or credits as it does in your country. So the government can freeze all assets in dollars without having violated anyone's property rights. It's simply called a financial move, a financial transaction. We have no courts in which to fight expropriation. As a matter of fact, we can't challenge expropriation under our law.

As a result, our researchers have found some very interesting statistics on Peru's formal sector. We found out, for example, that 85 percent of all entrepreneurs or managers who work in the provinces at firms with more than 100 employees live in Lima, not in the provinces. It is much more important to be close to where the law is decided

than to be close to the factory. How much time is wasted? How much productivity? How much inefficiency is due to the necessity to be close to the lawmakers?

We also found out that general managers in Lima spend 45 percent of their time involved in politics of one form or another. As a result, Latin Americans are slick. We usually become presidents of business conventions because we know how to deal with people. To be successful in Peru, the way the law is formulated obliges us to spend at least half our time cultivating politicians.

This is not a Latin American characteristic. This is the way that most of the world was before the democratic revolutions occurred in the course of the last 250 years. That's why we at the institute refer to the existing system of government in Peru as a *mercantilist* system. It is a system of predemocratic capitalism. It is a system that predominated in Europe 100 or 200 years ago, depending on the country. It is a tightly privileged system of capitalism where only those who have access to political power can actually do business.

If a Latin American takes a risk and loses, his liability is unlimited. He will lose his business, his car, his home, his mattress, his TV – nearly all his assets. He can't spread the risk.

In the old days of mercantilism, a private sector existed. But private companies did not necessarily have to compete. What was important was to have a charter from the king. And if you had a charter from the king, you could then operate. You needed political permission to do so, as you do in Peru.

So an important distinction has to be made between the private sector of a country like Peru and the private sector of the United States. Let's imagine we are French, living back before the American Revolution. We decide that the objective of our foreign policy is to protect private enterprise in North America. Then we hear about the Boston Tea Party, a demonstration against King George. Who backs free enterprise? Both the leaders of the Boston Tea Party and King George. If that is the only criterion, we will develop excessive contact with King George and forget about the Boston Tea Party. The fundamental distinction is that King George does not want free access to markets and the leaders of the Boston Tea Party do.

Many of our "private sectors" in Latin America are, in effect, King George's entrepreneurs. The informals are the budding Boston Tea Parties of the Third World. Any association with King George will be short-lived. The mercantilist system can no longer hold these people who were supposed to be the other side of the dual economy. They have come into the city and they want the same things we do—and they've got rising expectations sufficiently strong to disrupt the system.

If you open the doors to them, you get Hong Kong—a prosperous country in which entrepreneurship flourishes and all people feel they have opportunity and can participate. Peace comes about gradually. If you close the doors, you get Vietnam. If you close the doors, you get Nicaragua. You get Cuba. If you open the doors, you might get England. But these are the alternatives.

It's very difficult to negotiate this with King George III. It's much easier if one establishes direct contact with the Boston Tea Party. Democracy and entrepreneurship have not failed in Latin America. They haven't been tried. There is a constituency for change. It happens to be the majority of the country. They seem to have the same ideals as you do, but nobody has made contact with them—except the Marxist-Leninists, who do cater to them, while you cater to the private sector.

The informals do not see themselves as the private sector. We did a very interesting survey among some of the informals in Lima, the most eloquent and representative of them. We asked them three basic questions. The first was, Are you the private sector? In 98 cases out of 100, the reply was no. The second question was, Are you the public sector? The reply was also no, the public sector is the government. So the third question was, Who is the private sector? And the reply was, those who have the privileges. So you can't use the word *private* in Peru.

In this context, we have made many mistakes—for example, when a North American conservative thinks that a Latin American conservative stands for the same principles. A North American conservative wants to conserve the principles of Benjamin Franklin and James Madison and Thomas Jefferson. A Peruvian conservative wants to conserve Francisco Pizarro. Very different things.

Most problems in Latin America can be solved. They all involve structural adjustment. But structural adjustment is not what the Baker plan calls it. It's not what the Bradley plan calls it. It's not what the IMF calls it. And it's not what the World Bank calls it.

Structural adjustment is taking away the 289-day barrier. Structural adjustment is really seeing what gets in the way of people and markets, and what gets in the way of people controlling their own government. That is structural adjustment. Once we get those terms right, there is no reason why Peru shouldn't also be a prosperous country. ■

Hernando De Soto is president of the Instituto Libertad y Democracia in Lima and author of The Other Path: The Invisible Revolution in the Third World *(Harper & Row). This article is adapted from a Reason Foundation Forum speech.*

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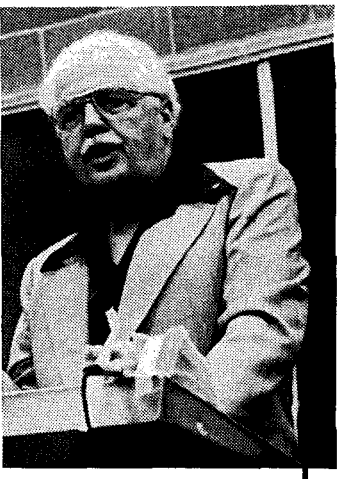

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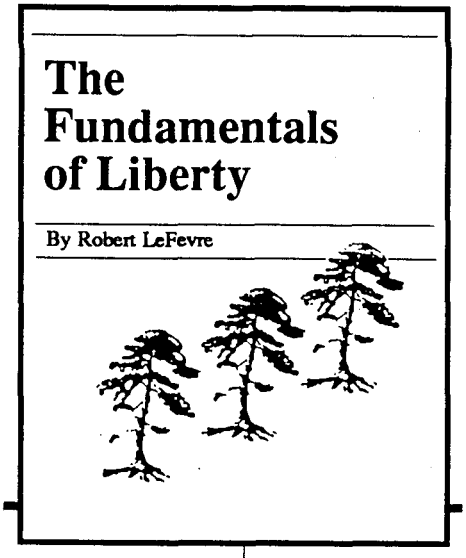

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EPA'S LIFE OF REILLY

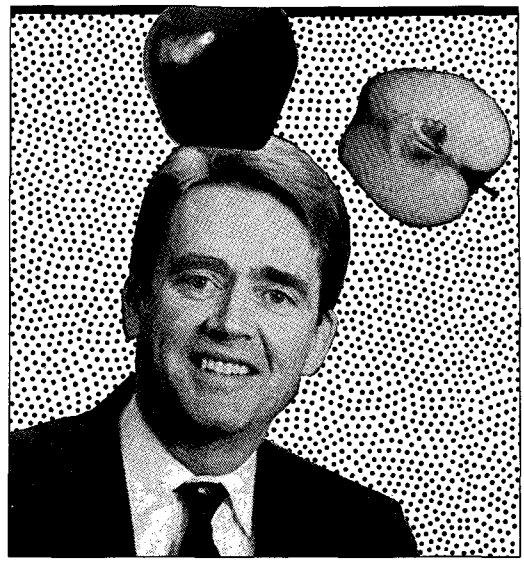
BY JOHN HOOD

On June 12, President Bush unveiled a sweeping package of revisions to the Clean Air Act, incorporating an approach long favored by free-market economists—setting emissions goals but allowing polluters to decide how to meet the goals or even to trade pollution "permits." The idea made its way into the president's acid rain policy, but on automobile emissions the market approach lost out to a more dictatorial plan, including an unprecedented mandate on Detroit to produce by 1997 more than one million cars that use fuels other than gasoline.

Michael Boskin, chairman of the president's Council of Economic Advisers, had argued that a market approach to auto pollution would lead to more efficient emissions control and would allow for innovation by industry. Boskin was joined by White House Chief of Staff John Sununu and by officials from Energy, Transportation, and the Office of Management and Budget. But in the end, the dictatorial approach won out—championed by White House Counsel Boyden Gray (an alternative-fuel aficionado who drives a methanol-powered Chevrolet) and by William Reilly, head of the Environmental Protection Agency.

That Reilly was the chief advocate of heavy-handed regulation in the clean air debate (on most items, Gray sided with the free marketeers) came as a surprise to many officials and policy analysts. Reilly came to the EPA from a 15-year stint as head of the Conservation Foundation, an environmentalist group known more for negotiation than for confrontation. Under his leadership, the foundation specialized in bringing together disparate factions—environmental activists, business people, and government officials—to hammer out compromises on such issues as toxic waste cleanup and wetlands protection.

When he was appointed, many analysts thought that Reilly would advance the flexible, efficient environmentalism typified by tradable permits and "debt-for-nature swaps." Environmental activists complained that Reilly's approach, which he described as "sensitive to economics," lacked the vigilance needed to police the environment. "It is the Environmental Protection Agency, not the Environmental Negotiation Agency," David Baker, political director for Friends of the Earth Inc., groused in early January.



EPA head William Reilly: Market approaches are "very much a second track."

But in the first few months of Reilly's tenure at EPA, radical environmentalist groups have had little to complain about. The agency has taken a number of forceful, unilateral actions to assert its control over resource policy, public health, and air quality. These include:

- A March 24 decision to delay, with clear intention to veto, the proposed Two Forks Dam project in Colorado, a $1-billion locally financed reservoir that would supply water to the Denver metropolitan area. After eight years of environmental impact studies (costing local governments there about $40 million) and negotiations among a myriad of state and federal agencies, Reilly overruled his own regional administrator's go-ahead, citing the need to protect the area's "beautiful free-flowing trout-stream" and habitat for the endangered whooping crane.
- A May announcement that the EPA plans to ban the use of Alar, an apple preservative that some laboratory tests have found to be carcinogenic. The subject of a public relations blitz by environmentalists and actress Meryl Streep, Alar actually poses about the same risk of causing cancer as does tap water, according to University of California biochemist Bruce Ames. (Beer is about 3,000 times more carcinogenic.)
- A July decision to ban virtually all products using asbestos, a carcinogen common in such items as brake pads, roofing supplies, and cement pipes. The asbestos industry contends that the current uses of the material do not threaten public health, but in any event substitutes are likely to be less heat-resistant and more costly—up to five or six times the cost of asbestos in automobile braking systems, according to General Motors. The EPA estimates the cost of the ban to be about $500 million, and Reilly himself has stated that the ban will save 200 lives at most over 13 years.

Reilly got most of what he wanted in the president's clean air package as well. The revisions would extend California's draconian hydrocarbon standards nationwide and require gas stations to install equipment to reduce vapor emissions—both steps that Reilly had included in his original proposal to Bush. And although the president called for an EPA study of how market incentives could be applied to urban smog problems, Reilly says that the market approach is "very much a second track."

The drastic action he wants on urban

smog, however, hardly seems justified by the facts: Levels of sulfur dioxide, carbon monoxide, ozone, and nitrogen oxide have all decreased since 1975. And breathing even Southern California smog, says Ames, is only as risky as smoking a pack of cigarettes a year.

One reason Reilly gives for opposing flexibility is that Congress won't accept anything less than mandatory controls. But Kent Jeffries, an environmental policy analyst for the Heritage Foundation, says his impression from talking to administration officials is that the pressure Congress and EPA careerists have put on Reilly has turned well-intentioned policies into overreaching mandates. "They [the Bush team] seem to be just holding a wet finger in the air, without asking the technical questions," he says.

In the alternative fuels case, a host of questions remain unanswered. The plan would essentially mandate the development of new technologies and designs, setting a target date (about the year 2000). But problems with methanol and ethanol vehicles may not be solved so quickly. Both fuels cost a lot more than gasoline while delivering only about half the fuel efficiency. Although ethanol use would reduce some forms of toxic emissions, it does produce organic compounds that could add to urban smog.

And methanol poses significant health and safety risks: Unlike gasoline, methanol is water soluble, putting groundwater at greater risk and making spills more difficult to contain. It emits formaldehyde, which some studies show is a carcinogen. It's about 25 times as toxic as gasoline and is more easily absorbed through the skin. And its flame is nearly invisible, making accidents more likely and fire fighting more difficult.

Despite these facts, the alternative fuels lobby wields great power. Farm state representatives cheer loudly for ethanol, which can be made from corn and sugar cane. And a major agribusiness that develops and markets alternative fuels, the Archer Daniels Midland Co., spends a lot of money on Capitol Hill and sponsors many of the Sunday morning news shows. Methanol has powerful

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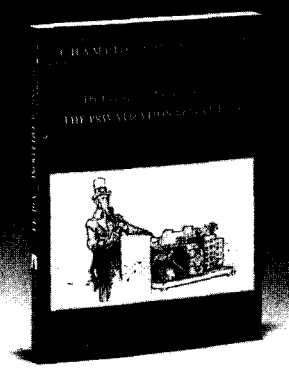

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WASHINGTON

boosters as well—such as Boyden Gray. The pressures from both the alternative fuels lobby and EPA lawyers and engineers may have drowned out economic arguments at Reilly's EPA, Jeffries says.

Another explanation for the EPA rampage is an all-too-familiar one: Power corrupts. Surely the opportunity to direct a $5-billion, 15,000-employee agency in a war against pollution is a heady and seductive one. At a *Washington Post* lunch early this year, Reilly admitted that while he came close to turning down the EPA job, after a couple of weeks he relished the power to get things done and asked himself, "God, how did I nearly not do this?"

During the Alar scare, Reilly told *Post* staffers, he became frustrated with his duty under the pesticide law to balance health risks against the cost, in price and availability, to the food supply. "So what if we're overturned in court?" he said he told advisers, after suggesting that the EPA just ban Alar. "Why not do it today?"

Whatever the reason, Reilly has not become the advocate for flexibility and economic thinking at the EPA that some expected. Rather, he has taken on a high-profile, activist role that seems likely to attract toward Washington more power over environmental policy—even though the threats posed from urban smog and other forms of pollution differ greatly from city to city, making federal mandates cumbersome and inefficient.

Based on his record so far, Reilly can be counted on to give traditional big-government environmentalism a voice in administration policy. He plans, for example, to upgrade the agency's efforts on global bugaboos such as the greenhouse effect, and he seeks an increase in federal fuel-efficiency standards, which the Competitive Enterprise Institute and other analysts say will sacrifice auto safety.

But all is not lost. Boskin, Sununu, and others also have Bush's ear. Provided the market incentives for acid rain control survive the legislative process, the Bush administration's clean air package will still have broken some new and exciting ground—no thanks to William Reilly.

Contributing Editor John Hood is a reporter-researcher at The New Republic.

HONOR ROLL

BY MARTIN MORSE WOOSTER

"In Washington, people don't read enough magazines."
—*Irving Kristol*

This may be true in Washington, but out here in Silver Spring, we read magazines by the truckload. Mail delivery in my neighborhood is a thrilling sight; once each day, the factory whistles blow, the police officers stop traffic, and the double-wide tractor trailers lumber *chez* Wooster with the day's reading matter.

Some of the material I carve into columns based on particular themes. But occasionally I come across noteworthy articles that don't neatly fall into categories. Twice a year I will discuss some of these. What follows is an analysis of the best articles I read between January and June.

BOB ECKSTEIN

"Less than seventy-five years after it officially began, the contest between capitalism and socialism is over: Capitalism has won. The USSR, China, and Eastern Europe have given us the clearest possible proof that capitalism organizes the material affairs of humankind more satisfactorialy than socialism."

Who wrote that paragraph? Milton Friedman? Thomas Sowell? Guess again. Robert Heilbroner, one-time hard-left economist, has discovered that everything he knew about economics was wrong. In "The Triumph of Capitalism," published in the January 23 *New Yorker*, Heilbroner explains why capitalism won.

Heilbroner has not entirely abandoned his faith in socialism: Despite 70 years of devastating achievements (the concentration camp, the gulag, and countless steel mills and shipyards rusting from the Baltic to the Pacific), "the vision [of socialism] has retained its inspirational potential, just as that of Christianity has survived countless *autos-da-fé* and vicious persecutions." The New Jerusalem, for Heilbroner, can still be found in Stockholm, if not in Moscow or Havana.

For most of the piece, however, Heilbroner demolishes the assumptions and principles of Karl Marx, John Maynard Keynes, and Joseph Schumpeter, whose pessimism about capitalism's future has proven unjustified. Heilbroner is also very astute in analyzing long-term economic trends. For example, he notes that, over the past two centuries, manufacturing output has increased, on average, at a rate of 2.8 percent a year, "not a terribly impressive figure until one realizes that it has multiplied production more than seventeen hundredfold during the period."

Heilbroner is a fine writer, and "The Triumph of Capitalism" is a thoughtful, if occasionally misguided, analysis. Alexander Cockburn spent much of a column in *The Nation* excoriating Heilbroner for his sins; I can't think of a better endorsement.

Much has been written in the American press in the last six months about the economic unification of the European Community nations scheduled for 1992. Most American journalists spend their time listening to bureaucrats in Brussels pontificate on The Meaning of It All. But Robert Cottrell, in the April 8 issue of *The Spectator*, examines how the European Community actually works. His findings: "fraud and profligacy costing the European Community's taxpayers hundreds of millions, perhaps billions, of pounds each year."

The European Community spends about two-thirds of its budget subsidizing farmers. As in the United States, the EC accumulates mountains of agricultural products that no one wants to buy at the artificially high prices fixed by Eurocrats. The EC then disposes of these products—beef, wine, butter, olive oil—by paying exporters to ship them overseas.

But in many cases, the exporters don't ship the products they claim to be shipping, or they ship goods to markets where they can make large profits. According to investigators for the House of Lords, Danish exporters received subsidies for sending surplus cheese to the Caribbean and then resold the cheese to Americans and Canadians, netting profits from the sales and £530,000 from the EC. One trader exported offal and received subsidies for prime beef, earning £11 million from the EC. Another exporter convinced the EC that the railway sleeping cars he was shipping were really beef and earned subsidies for them.

Who gets these subsidies? Cottrell believes that "a significant proportion of

the European underworld's treasury" comes from EC protectionism. It is known that the Mafia gets EC benefits, and it is suspected that the Irish Republican Army has also benefitted.

I'm surprised that Cottrell's charges haven't received more exposure, especially since many of them are confirmed by the Court of Auditors, the EC equivalent of the General Accounting Office. But I urge members of Congress to be suspicious of the EC's protectionist schemes. After all, a government that can't tell the difference between a railroad sleeping car and a cow is hardly likely to be a reliable negotiator on trade issues.

I've always been fascinated by neoliberalism, chiefly because I've never met anyone who can explain to me how, exactly, neoliberals differ from plain old liberals. Neoconservatives and conservatives debate constantly and ferociously; liberals seem much more complacent about ideology.

Perhaps this is because, at its heart, neoliberalism's gospel consists of the collected prejudices of *Washington Monthly* editor-in-chief Charles Peters. It's a very authoritarian doctrine; the perfect neoliberal believes *exactly* what Peters believes. This is why there is only one perfect neoliberal.

In *The Washington Monthly*'s 20th anniversary issue (March), the magazine's most prominent alumni get a chance to tell Peters why he is wrong. Many of these criticisms make sense. For example, the most disturbing aspect of Peters's philosophy is his enthusiasm for enforced "national service," either drafting young people into the military or forcing them to clean out latrines and pick up trash under a revived Works Progress Administration. Michael Kinsley takes Peters's enthusiasm for the draft and stomps on it. "You don't have to be overly pessimistic about human nature to doubt that involuntary timeservers are going to put their hearts into their assigned tasks," Kinsley points out.

Gregg Easterbrook then attacks Peters's notion that profits are somehow distasteful. He notes that most corporations make profits "because they deserve to—the market is pretty effective in distributing that reward." What's more, Easterbrook says, absentee ownership is not *necessarily* bad, and most mergers take place not because money-mad plutocrats are interested solely in shafting customers but because "the resulting enterprises are more efficient than what they replace."

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But the most trenchant criticism comes from *Time* editor Walter Shapiro. *The Washington Monthly*, Shapiro says, was founded in order to revive a Democratic Party demoralized after the downfall of Lyndon Johnson. What did the magazine have to show for all its "years of struggle and sacrifice"? Jimmy Carter. Given the choice the Democrats will make in the 1992 presidential race—either Jesse Jackson or a right-wing southerner—the militant moderation that *The Washington Monthly* stands for is as dead as Adlai Stevenson or Hubert Humphrey. After all, Shapiro says, Jesse Jackson is "the least likely figure in either party to lie awake nights wrestling with the knotty dilemmas of bureaucratic accountability."

Peters rebuts his critics with bluster and misdirection. He frequently adopts the second person, as if he composed his columns in an echo chamber and assumed that his mumblings were the roars of a cheering crowd.

The Washington Monthly's legacy to American journalism is the intricate nuts-and-bolts examination of how government works (or, as is more often the case, doesn't work). Few reporters did these sorts of stories before the magazine began; few do them now.

During the 1980s, the *Monthly* has largely been a spent force, not because of its politics, but because the magazine has suffered the intellectual hardening of the arteries that affects any magazine that has had the same editor for 20 years. In its heyday in the late 1970s, *The Washington Monthly* discovered Nicholas Lemann, Gregg Easterbrook, and other important journalists. In the 1980s, the magazine seems content to rest on its laurels, an anachronism fondly remembered but little read.

Coming next year, whether you want it or not, is *The New Century*, a quarterly coedited by the villainous Robert "Snidely" Kuttner and designed to be "the left-wing *Public Interest*." (Those with long memories know that *The Public Interest* itself was founded as a magazine of the left.) Kuttner is scouring the country for academics willing to defend national health insurance, farm subsidies, the New Deal, the Great Society, and other boondoggles.

But, Kuttner told Washington's *City Paper*, the magazine will be *unpredictable*. "We're not going to be knee-jerk statists," Kuttner says, thereby all but officially declaring himself a knee-jerk statist.

Thanks, Bob. Best of luck with your journal, and here's hoping that you will be so overwhelmed with your editorial duties that you will do America a favor and stop writing for *The New Republic*. That magazine would improve dramatically.

Martin Morse Wooster is Washington editor of REASON.

UNMASKING BATMAN

BY DAVID BRUDNOY

Why one movie catches on and another doesn't eludes easy analysis. If the salient factor were quality, then *Honey, I Shrunk The Kids*, a mediocre comedy designed for the mentality of a 13-year-old, wouldn't have emerged as one of the megahits of this past summer while finer items floated off into the mists of fuzzy memory, leaving only frustrated studio accountants and irritated critics. If straightforward heroics were what counted, then the third *Superman* would have been a tremendous hit, and it wasn't. If fond cultish nostalgia alone did the trick, then the fifth *Star Trek* would have been one of the 1989 summer blockbusters, and it was less than that.

The Joker filters straight into our psyche and becomes our evil twin.

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Why, then, has *Batman* already entered the record books as one of the handful of most successful, adored, repeat-visited movies of all time? If the American people resonated to Randian notions, the film would have died on the vine, presenting as it does a hero who is "himself" only when he's *not* himself and a villain who is despicable but oddly endearing.

But alas, things don't go according to any simple plan, however sensible. *Batman* triumphed for none of the reasons that usually augur well for a movie: Its hero is strangely deficient, its villain is a complex case instead of merely a wretch, its setting is more alarming than enticing, and its basic premise lacks the clear polarities of good and evil that are especially heartwarming in a society, like ours, that pretends to ennoble virtue and disdain vice.

Batman exemplifies not our vaunted ideals but our harrowing recognition of reality (albeit in a cartoonish film), a reality of exaggeration and sometimes comic craziness. Urban America, except for the favored few who can use The City as a small collection of protected environments—one's well-guarded condominium, one's spiffy, off-limits-to-hoi-polloi restaurants, one's security-obsessed workplace—has become a terror. The City is increasingly expensive and decreasingly efficient. The promise of the melting pot has fizzled into accelerated racial polarization. The crime rate soars as the literacy rate declines. The portrait is depressing, demeaning, despairing—and can be well recognized by almost anybody who lives within urban America.

Batman's Gotham City is the urban Twilight Zone writ large. "Nightmare" comes to mind but is best rejected as the metaphor because this is not the near-total hideousness of, say, *Blade Runner*, with which Gotham City's physical setting has been compared. Nor is it enticing, however dehumanizing, as is the city in Fritz Lang's *Metropolis*, another movie frequently mentioned in comparison when *Batman* appeared early this past summer.

Gotham City is in the twilight because one *can* live there but one really rather would not—again excepting only those who live in splendor, like Bruce Wayne (who is Batman when the occasion demands) and the criminal element, whose playpen the city has become. Gotham City, whose mayor bears a sneaking similarity to the present mayor of New York City, works, but barely. It's not even a nice place to visit.

American moviegoers resonated to *Batman*'s Gotham City not because we want to live there, but because we already do.

The movie's hero and villain are likewise neither paradigmatic nor wholly fanciful. Consider Bruce Wayne (Michael Keaton), who just misses nebbishness by an inch or two. He is isolated, attended only by his faithful, wise old servant Alfred (Michael Gough). He can barely bring himself, when he finally falls in love, to tell his new lady friend (Kim Basinger) who, by night, he is.

Bruce Wayne is not a Clark Kent, an alien with magic powers; rather, he is adept at athletic trickery, rich enough to surround himself with wonderful gimcracks—the Joker remarks on these toys with amazement and quite plausible envy—and haunted by the childhood memory of his parents being slaughtered by the creature who becomes the Joker. He is driven by that memory to become an urban avenger, a careerist Bernhard Goetz with a better tailor.

America wonders about its alleged heroes. Oliver North didn't quite pan out, even for the redhots. Our politicians, when they're not headed for jail or their latest love object, disappoint both left and right. Our sports heroes appear to be gamblers or fools; our movie cuties stupidly put their sexual romps on videotapes and then wind up in the gossip columns and sometimes in court. Our masterful entrepreneurs name airlines and the like after themselves and live in vulgar overluxuriousness.

I could go on, but there's no need. We see around us "heroes" who are not paragons of anything but self-promotion.

THE **LATERAL** VIEW

So a fellow like Bruce Wayne is attractive not only because he's pleasant looking but because he's rich, very uncertain of himself when not in "uniform," and very driven by private demons. Clarity is wholly lacking in Bruce Wayne-Batman; ambiguity reigns—ambiguity and obsession.

Which leads to the Joker (Jack Nicholson), your ordinary garden-variety second-banana criminal until, cascaded into a vat of toxic waste and disfigured gruesomely, he becomes on the surface what his twisted soul has always been within. But he is a playful villain. He delights in jokes like an eternal child and is drawn to destroying culture like the barbarians who trash art everywhere and who, more horrifyingly, *make* art...or at least what passes as art among the trendy.

When the Joker enters the museum and defaces the collected masterpieces of the human genius, sparing only one monstrous picture because it reflects his own monstrousness, he is challenging not merely authority but culture itself. He is mauling beauty and spiritual greatness as so much of our own society's degraded culture mauls that which is beautiful and sensible in order to pander to the squalidness of our age.

No, I'm not saying that the Joker is *we*, or that we have come quite to that point. But after a certain middling level of venality, certain villains ascend to a summit of awfulness and we rather cherish them for their audacity. The real Ivan Boesky became *Wall Street*'s Gordon Gekko, and it was touch-and-go among audiences whether to admire or recoil from him.

Likewise, the Joker is a summa: He turns the grinning morons of the TV anchor desk into permanently grinning (and dead) morons. He elaborates the inanity of the smiley face button or "Don't Worry, Be Happy" puerility into a death mask of grinning stupidity. He is the master not just of inventive horror but of near-justifiable vengeance. And because we as a society are so at sea about our values and so unsure of what we really mean by anything that we say, the Joker filters straight into our psyches and becomes, as it were, our evil twin.

The Joker recognizes the greediness of mankind in the simplest way: He showers the tawdry masses with dollar bills, the better to set them up for gassing them into the tight little chamber that is eternal rest. He is Death in a format that is only somewhat (but not much) removed from the deathly vacuousness that is American civilization nowadays.

Not to mention, not to forget, that *Batman* is beautifully acted, lots of fun, cleverly written, spiffy in its every building, costume, vehicle, and gadget. The movie is both delightful to experience and ghastly to contemplate. It's about as close to a satisfactory balance between wish and reality as we're likely to get until, if ever, our society begins to mean something by what we preach.

Contributing Editor David Brudnoy, whose column will appear monthly in this space, is WBZ *Radio's late-night talk host and a film critic in Boston.*

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Self-Made America, Group-Think Japan

BY DAVID BOAZ

More Like Us: Making America Great Again, by James Fallows
Boston: Houghton Mifflin, 1989, 245 pages, $18.95

For several years James Fallows has been the best thing about *The Atlantic*. His articles on economic change and on immigration were among the best journalistic pieces available on those topics, and his recent dispatches from Asia have been fascinating. Now he has combined all those reports into a provocative book that seeks to explain and revive America's success by contrasting this country with Japan.

"America's strength is the opposite [of Japan's]," he writes. "It opens its doors and brings the world's disorder in. It tolerates social change that would tear most other societies apart. This openness encourages Americans to adapt as individuals rather than as a group."

Fallows offers an enlightening and entertaining discussion of what Joseph Schumpeter called "creative destruction." While both the left and the right look for ways to slow down economic and social change, Fallows writes, "What capitalism really means is change. Its essence is that nothing stands still.... Capitalist change is the enemy of order and tradition not simply because it never stops but also because its direction is impossible to predict."

The book is full of fascinating facts and anecdotes that flesh out the theory. In the three centuries since the Industrial Revolution, two-thirds of the jobs existing at the beginning of each century have been "destroyed" during that century—but three times as many people have been employed by the century's end. In the 1950s IBM thought the world market for computers would be about 10 machines,

and Xerox made about the same prediction for copiers. At the turn of the century, enlightened opinion warned that American forests were about to disappear, but more of the United States is forested now than a century ago. In the 1960s distinguished professors told congressional committees that Americans already had everything they could want, so what were we going to do for a living?

Fallows says that unlike citizens of most countries, Americans like to "reinvent" themselves when they're dissatisfied, moving to a new city or state, changing careers, and so on. As illustrations he offers a blue-collar midwesterner, who left a failed marriage and a failing industry to move to Texas, and a family of Vietnamese immigrants, who represent the classic immigrant story. They started at $2.10 an hour, saved two-thirds of their pay, and ended up owning several homes and businesses in a few years.

He also offers the instructive lesson of William F. Buckley, Jr., who "has basically the same lineage as, say, Lyndon Johnson," both of them descended from rural Texas politicians. But "Buckley made himself sound as if he were a 10th-generation Old Etonian. In a sense, he is the classic American, since he has completely invented a new identity for himself."

Fallows's policy proposals, designed to "make America more like us,...to allow more people to believe that they can control their fate," are pretty good for a neoliberal. (Of course, neoliberal writers are always better than neoliberal politicians, who turn out to have voting records indistinguishable from those of paleoliberals.) Like George Gilder and Joel Kotkin, he seeks public policies that strengthen the open, fluid, dynamic nature of our society.

Drawing largely on S. David Young's *The Rule of Experts*, he challenges the whole notion of occupational licensing, which protects some competitors and keeps others out. Licensing is often overlooked by free-market economists, who tend to concentrate their fire on entitlement programs. But licensing misallocates the skills of the most talented and productive people in society—from doctors and lawyers to skilled craftsworkers such as plumbers and electricians—and thus probably has a severe impact on economic growth. Fallows focuses on the way licensing emphasizes credentials over competence and locks people into career choices early.

For similar reasons, he's highly critical of I.Q. tests, which have frequently

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been part of government—especially military—efforts to channel people into "appropriate" niches. Fallows calls this an alien "Confucian" element in "an America culture that is based on the radically non-Confucian promise of constant, unstructured change." He cites a great deal of evidence on the poor predictive value of I.Q. and "aptitude" tests, (notably the Scholastic Aptitude Test).

Nevertheless, in a mobile society of 240 million people, college admissions officers and employers need some way to select qualified applicants, and aptitude tests do seem to be the best choice in many circumstances. Standardized tests have been a way for outsiders, particularly Jews a generation or two ago and Asians these days, to demonstrate their competence. Indeed, Fallows seems to have forgotten that as a middle-class boy from Southern California he got into Harvard "by scoring well on standardized tests that let me measure up against people from more impressive-seeming schools."

Fallows has a healthy view of the value of immigration in keeping our society open and constantly changing: "A disproportionate share of the ambitious people of the world are fighting for a chance to use their ambitions in the United States." He also wants to open up America by shaking up the education bureaucracy: instituting a voucher plan and giving principals the authority to choose qualified teachers regardless of their credentials. No other approach is likely to bring about quality education in the inner city, and better urban schools are vitally needed to give poor children a chance at escaping the ghetto.

Fortunately, Fallows relegates to a footnote his view that "the strongest argument for an America industrial policy is that since we are destined to spend the money anyway, we may as well do so with a plan in mind." This point, uncontroversial as it might seem to some, directly contradicts his arguments about "the American talent for disorder" and the failure of experts to predict the future with any degree of accuracy.

The more controversial part of Fallows's analysis is his view of Japan. He begins by arguing that "a society that is true to its own culture will usually have a healthy economy. It will have found the right way to elicit its people's best efforts." Since culture differs from country to country, so must economic institutions. Creative destruction works for us, but a far more ordered system works for Japan, which "has two cultural advantages America can't match: a concept of racial unity and a tradition of effort for its own sake."

The Japanese, he says, are a very insular society. They routinely talk about what "we Japanese" think. Their standard slogan during World War II was "one hundred million with one heart." This sense of unity both excludes other people—it is difficult if not impossible for non-Japanese to become citizens of Japan even after several generations—and gives the Japanese a sense of pulling together, of working hard because they're all on the same team.

In addition, the Western concept of the economic person—that workers and consumers make their decisions on the basis of individual economic gain—doesn't work in Japan, where "much of the reward is in the effort itself." What does this mean for economic policy? In Japan, "the welfare of its consumers has consistently taken second place to a different goal: preserving every person's place in the productive system....Japan has consistently protected its farmers, unions, small shops, big corporations—at the expense of all the Japanese consumers, who must pay exorbitant prices for everything they buy." This has made Japan a formidable world economic power while leaving the Japanese standard of living well below American and European levels—and most Japanese don't mind.

This is, to put it mildly, a thought-provoking and controversial thesis. Fallows claims that three groups of people typically minimize the importance of national culture: Marxists; free-market thinkers, who believe that people anywhere respond to economic incen-

tives; and Americans in general, whose culture is so open "as to foster the belief that 'culture' itself may not matter at all." As a member of two of those groups, I certainly have my doubts. I would not deny that culture, broadly defined, has an influence on economic growth, in regard to both what kinds of economic institutions a society will have and how people will respond to those institutions. But I am skeptical that a whole nation will work hard—and efficiently and creatively—just to produce national pride and a trade surplus.

Fallows's view of the Japanese is sharply criticized by other Western experts. He says that Japan channels people early in life to the best universities, the best jobs, and so on; "the second chance in not a cherished Japanese ideal." But critics point out that the founders of Sony, Honda, and Matsushita, among others, were not graduates of the best colleges or even of any college. Critics also argue that although the Japanese economy may be rigged against consumers, that fact reflects the wishes of a ruling class, not the whole society. A younger generation is likely to challenge the system in the near future. Such a popular rebellion may indeed be touched off by the Recruit scandal, which disclosed corruption among top government officials and business leaders.

For those of us who have spent little or no time in Japan, it is difficult to adjudicate this argument. For us Japan may remain, as Winston Churchill said about Russia, a riddle wrapped in a mystery inside an enigma.

Whatever the merits of Fallows's view of Japan, his understanding of America is a healthy rebuttal to those who would try to turn us into a corporate state to match their notion of Japan Inc. Whether or not *they* are really unlike us, *we* would do well to be more like us.

David Boaz is vice president of the Cato Institute in Washington, D.C.

Postmodern Emily Post

BY T. KEATING HOLLAND

Modern Manners, by P.J. O'Rourke
New York: Atlantic Monthly Press, 300 pages, $16.95

P. J. O'Rourke's latest book, *Modern Manners*, does not describe the behavior of polite people. It deals instead with people who want to appear polite while doing whatever they damned well please—in a word, Americans.

"For most of the twentieth century," O'Rourke writes, "we Americans have preferred to ignore conventional social rites, dispense with pomp and circumstance, and set our highball glasses right on the George II sideboard without using coasters. Complex rituals, formalities, and taboos are the hallmark of civilization, and we don't have one, so what the heck."

If no modern American knows which fork to use, why bother learning? Far better, in modern times, to know the polite method of inviting people into the restroom to snort cocaine with you, or the most graceful way to vomit. "Every authority on etiquette discusses how to put things into your stomach," the author notes, "but very few discuss how to get them back out in a hurry." O'Rourke obliges.

The modern advice in *Modern Manners* is targeted at the part of society that styles itself postmodern, the crowd that started the traditional *fin-de-siècle* binge about a dozen years early. The crises facing us as the millennium approaches are different from the social situations described by Emily Post.

Take marriage. A well-mannered women's trousseau used to contain towels, linen, and the like. But in these modern times, a woman brings a different set of items to her marriage, including three cats, a Conran's sofa bed with Azuma bedspread, the complete works of Barbara Cartland, three framed drawings of unicorns, a Jane Fonda workout tape, and a bill from her psychoanalyst.

What about the wedding rehearsal dinner? "These days the honeymoon is rehearsed much more often than the wedding," O'Rourke succinctly notes. "It's not necessary to give a dinner every time you do that."

And for purely modern reasons, brides should still be given away, but only because it's illegal to sell them.

The word *manners*, of course, refers to people's customs and normal behavior as well as their rules of politeness. Accordingly, *Modern Manners* spends most of its time dryly detailing how Americans really behave rather than how they should.

Since we already know, for example, what polite hosts *should* stock their bars with, O'Rourke has much more fun describing what has become customary at the typical '80s party. Does this sound familiar?

2 sixpacks of Miller Lite
1 warm keg of extremely foamy Stroh's
150 half-gallon bottles of screw-top jug wine
40 bottles of gin
60 bottles of vodka
1 bottle of tonic
3 ice cubes
1 lime

Given his emphasis on alcohol, drugs, sex, and vomiting, O'Rourke's target is easy to define—the nouveau generation of wingtips, or pearls, or both. As a former editor of *National Lampoon* as well as a roving reporter for *Rolling Stone*, O'Rourke knows his readers and can be forgiven for making the assumption that they are burned-out, drug-frenzied, power-mad divorcees with bad home lives and bad haircuts. After all, most of them are.

O'Rourke's best work (short pieces compiled in *Republican Party Reptile* and *Holidays in Hell*) has a jaded, sarcaustic attitude toward whatever subject matter happens to be on his plate, from designer drugs to pissant Third World countries with bad revolutions and bad

hotels. Most of his writing is first-person, free-form, and terribly snide.

Modern Manners retains that worldview but suffers slightly from O'Rourke's insistence on writing in a mock-Emily Post tone of voice rather than his own. The book reads something like an extended *Mad* magazine satire and is best taken in small snippets rather than read at one sitting.

But even if this is his third-best book, that is saying a lot. His hints about how to chat up celebrities like Cornelia Guest ("Gosh, Cornelia, you really make liposuction come alive!") are a scream. And God bless the man for explaining why the drug Ecstasy went out of fashion so quickly: "It made you love everybody. Loving even one '80s person was repulsive enough; loving more than one was actually medically dangerous."

In an era—or at least a book—in which dating can be described as "a social engagement with the threat of sex at its conclusion," the reigning sentiment is apocalyptic. O'Rourke's only real advice is one his readers know he takes to heart: "The world is going to hell. All we can do is look good on the trip."

T. Keating Holland is a pollster and writer in Washington, D.C.

Will the Real American Please Stand Up?

BY JOHN HOOD

The Clustering of America, by Michael J. Weiss
New York: Harper & Row, 416 pages, $22.50

Baby Boomers, by Paul C. Light
New York: W.W. Norton & Co., 319 pages, $19.95

In public opinion, as in architecture or countless other fields, form follows function. In polling, for instance, great care is given to question design, since word choice and question order have been shown to have dramatic effects on answers. Even subtle bias in wording can throw election predictions or issue surveys way off the mark. For instance, a 1985 *Los Angeles Times* poll revealed that while 75 percent of respondents agreed that "poor people can hardly get by on what the government gives them," 59 percent also agreed that "conditions for poor people in this country—like education, housing, job opportunities, and health care—are good."

That's one reason "conservative" (in the sense of cautious) pollsters such as the Gallup Organization always qualify survey results with all sorts of caveats and provisos. They know the danger of mistaking snapshot judgments based on single questions for in-depth, textured public-opinion analysis.

A related pitfall Gallup and other responsible pollsters usually sidestep is making connections between questions that the respondents themselves have not made—thus constructing a framework of attitudes that aren't really linked. In *The Clustering of America*, however, author Michael J. Weiss dives into this pit gleefully. The book is based on PRIZM, a lattice of 40 zip-code–based clusters devised by demographer Jonathan Robbin to help marketing and direct-mail firms target their efforts. Weiss, a contributing editor of *Washingtonian* magazine, seized upon Robbin's system as a basis for drawing a portrait of Americans based not on regions, cities, or political camps, but on clusters—bearing such colorful and confusing names as Bohemian Mix, Hard Scrabble, Furs & Station Wagons, and Norma Rae-Ville.

Weiss reveals everything you ever wanted to know about these clusters—and then some. Take Furs & Station Wagons, which, according to PRIZM, makes up about 3 percent of U.S. households. This cluster, in addition to going 70 percent for Reagan in 1984, buys depilatories at almost four times the national average while consuming a below-average amount of laxatives and dental adhesives. Weiss tries desperately to tie these disparate facts together in a cohesive portrait, producing an awful narrative in the process. In discussing Furs & Station Wagons' support for the GOP, he writes, "at backyard barbecues, guests stick to discussing mulch rather than military reform." Ooo, that's a shocker.

In using a marketing tool to attempt to explain American politics and culture, Weiss oversteps the capabilities of his form. After all, even the most sophisticated reader will have a hard time thinking of political attitudes in PRIZM terms, given the sheer number of categories and their befuddling names. In addition, the "clustering of America" thesis ignores the effects of region and common history on political attitudes, since it assumes that Furs & Station Wagons neighborhoods in New York and Alabama have more in common with one another than each has *with other clusters nearer to home.* Maybe that's true with regard to laxative consumption patterns, but I doubt it holds true for politics.

Besides, the cluster system, even if an accurate explanation of political attitudes, offers little utility to politicians, as Weiss himself admits. The system was designed to help target direct mail. But modern campaigns are waged mostly in the broadcast media, the messages of which can't be tailored by zip code anyway. Since most cities would contain about 10 cluster types at least, a campaign based on targeted direct mail would cost a whole lot to produce and distribute.

The cluster dynamic is simply unsuited to most thinking and planning about politics. And in trying to infer basic life-style attitudes from product selection, Weiss's approach—no matter how detailed and complex it may appear—is a gross oversimplification of voting behavior. Weiss assumes that buying patterns and political attitudes or "outlooks on life" must have a logical connection. But if 50 years of public-opinion research has discovered anything, it is that opinions aren't so systematic. People often hold contradictory positions without realiz-

ing it or being troubled by it. And certainly most of us don't consider the political import of our toiletry purchases.

It is the ultimate conceit of sociologists to presume that they can indeed divine such import when the "subject" cannot. Weiss should have confined his analysis to the function—in this case, evaluating market behavior—that his chosen form is suited to perform, leaving to other systems, such as the "voting typologies" devised recently by Gallup for Times Mirror Inc., the task of evaluating social or political attitudes.

If *The Clustering of America* is an example of how not to discuss public opinion, Paul C. Light's *Baby Boomers* is an example of how to do so. A deeply textured, revealing look at the baby boom generation (as well as the generations sandwiching it), *Baby Boomers* succeeds because of its temerity. Light begins his first chapter with the following paragraph:

"This book is about the real baby boomers—not just the young urban professionals; not just their grim, ruthless, upwardly mobile peers, not just their dual-income, childless neighbors. It is not that yuppies, grummpies, and dinks don't exist. It is just that they are such a small part of a very large generation."

Instead of regurgitating caricatures, Light does an exhaustive job of exploring every corner of the baby boom pantheon. The reader learns about "no collars"—picture a young guy in running shoes, work pants, a Miami Dolphin t-shirt, a handlebar mustache, and a baseball cap. And then there are the yuffies (young urban failures), who make less than $10,000 a year. According to Light, 4 of 10 baby boomers in 1985 were yuffies, making them eight times more prevalent than their more famous contemporaries, the yuppies.

Light spends a lot of time on the diversity of baby boomers but also discusses, intelligently, the forces unifying them. He leans heavily on the sociological concept of "defining events," which are those shared by a generation in its youth and making a lasting impression on it. Such events as Vietnam and Watergate are

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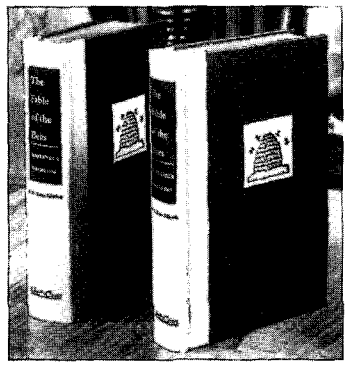

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shown to be possible causes of disaffection with politics and governmental institutions among baby boomers, while the Reagan presidency is seen as instilling the next generation—the baby bust—with a more positive view of political and corporate institutions.

One of the most important factors unifying baby boomers, Light argues, is television. It vastly multiplied the effects of defining events like Vietnam by allowing nonparticipants to experience them vicariously. But even with this shared frame of reference, the generation developed a wide variety of opinions, attitudes, and political preferences. Light discards the tired conservative/liberal continuum and looks at other ways of describing baby boom politics. One of these, dreamed up by social historian Charles Reich in the early '70s, postulated that baby boomers would rise above two earlier "consciousnesses"—world as a jungle and world as a meritocracy—and embrace a third, world as a community. More recently, the Cato Institute has suggested a four-part attitude system: conservatives, liberals, populists, and libertarians—the last category being used by Cato almost synonymously with baby boomers.

Light grants that both systems have some merit, but adds that once again they oversimplify. Most people do not think in such ideologically precise terms. It requires an unnatural fastidiousness. While baby boomers demonstrate tolerance and disdain for heavy-handed government (vindicating Cato's vision of the silent libertarian majority), they also demand plenty of social spending and will, on occasion, support some social regulation (the drug issue comes to mind).

In Light's view, the baby boom agenda is really a search for three values: opportunity, personal safety, and individual meaning. The first of these, opportunity, is mostly an antigovernment sentiment—basically, clear out of the way and let me get what I want. This applies not only to economic success but also to free choice of life-styles and relationships. But the opportunity value doesn't completely rule out government action—when it is designed to "equalize opportunity," like the Equal Rights Ammendment (80 percent of baby boomers support it) or child care plans that give mothers the chance to "have it all."

The second value, personal safety, also denies easy classification, as it is reflected both in the generation's tough stance on crime issues and deep commitment to Social Security and Medicare. According to Light, baby boomers aren't exactly risk averse; they just seek a little insurance—say, pesticide laws or the Strategic Defense Initiative—in case things go awry.

The baby boom agenda, says Paul Light, is a search for three values: opportunity, personal safety, and individual meaning.

Individual meaning is the third value, and a squishy one at that. While it reflects a sort of "Me Decade" fascination with soul-searching and self-actualization, meaning can also be found in baby boomers' support for a grand collective cause, be it social justice, the anti-apartheid movement, or a big space program.

Light doesn't really have a clear handle on the third value and tries to smuggle his own biases toward activist government in with it. But to apply his general thesis, the search for meaning can also lead baby boomers to embrace positions from conservative (evangelical religion), liberal (poverty programs), libertarian (the spread of liberty), or other political perspectives.

What Light adds to the debate over generational politics is a much needed voice of, well, reason. The various camps have staked out their claims to the baby boom generation: Conservatives point to a growing number of former radicals having "second thoughts" about their '60s activism; liberals point to the progeny of Vietnam and Watergate who, they assert, will never let such catastrophes happen again; libertarians point to a mature class of hippies/yuppies who have traded in their love beads for Rolexes and link personal tolerance with entrepreneurial leanings.

In *Baby Boomers*, Light responds simply, "you're all right." The generation is large enough to accommodate all these groups, and many more, each embracing core values but uncertain of their application. The boom does not represent a tide of history that only one particular group can ride. Ultimately—as Light understands and Weiss ignores—politics is persuasion, not divination.

Contributing Editor John Hood is a reporter-researcher at The New Republic.

If Only....

BY CHARLES OLIVER

What Might Have Been?, edited by Gregory Benford and Martin H. Greenburg
New York: Bantam Books, 291 pages, $5.50 trade/$4.50 paper

One of the most powerful themes in literature is *if only*. It is the beginning of all fantasy and science fiction. Writers of many styles and persuasions have been tempted to ask what the world would look like if some historical event occurred differently. Some recurring themes are: What would have happened if Germany had won World War II? How would the world look if the Confederacy had won the Civil War? What if Jesus had not lived? Perhaps the best recent example of alternate history is Brad Linaweaver's *Moon of Ice,* which explores a world in which Germany won the Second World War.

Alternate histories are usually considered the province of modern-day fan-

tasists, but the genre is a very old one. In 1836 Louis-Napoleon Geoffroy-Chateau wrote *Napoleon and the Conquest of the World, 1812-1823*, a nationalist vision

John Lennon a Nobel Prize winner? Hah! The man never even got a Grammy.

that had Napoleon conquering Russia and eventually establishing a worldwide empire. Over the years, writers as diverse as Winston Churchill, G. K. Chesterton, and Hillaire Belloc have published alternate histories.

Now, Gregory Benford and Martin Greenburg have put together *What Might Have Been?*, the first in a series of collections of new alternate histories. Any collection of stories by different writers bound only by a common theme is certain to have works of varying quality; some stories will be better than others. But Benford and Greenburg have cobbled together a collection of 12 wildly uneven stories. Some of the stories are as good as fantasy gets. The rest are just plain awful.

The always reliable Poul Anderson gets the book off to a good start with "In the House of Sorrows." At first, the story seems to be just a well-written sword-and-sorcery tale, not exactly an alternate history. But a surprise ending reveals why the story *is* alternate history.

Unfortunately, Anderson's piece is followed by Kim Stanley Robinson's "Remaking History." Robinson offers a world in which Jimmy Carter was a successful president, John Lennon lived to win the Nobel Peace Prize, and Mikhail Gorbachev is an idealistic democratic reformer. This isn't fantasy; it's more like some peacenik's drug-induced hallucination. John Lennon a Nobel Prize winner? Hah! The man never even got a Grammy.

But "Remaking History" is an exercise in thoughtful extrapolation compared to James Morrow's "Bible Stories for Adults, No. 31: The Covenant." (Incidentally, I think a good rule of thumb in fantasy would be "The Longer the Title, the Worse the Story.") Morrow wonders what the world would look like if God had not forgiven the Israelites and given them a second copy of the Ten Commandments after Moses destroyed the stone tablets containing the first one. Strangely enough, it looks pretty similar to the one we live in now. The Jews survived as a people, Jesus lived and was crucified, his followers established Christianity, Thomas Jefferson wrote the Declaration of Independence, and the United States was formed. The only difference is that Joshua gathered the pieces of the tablets, and for 3,000 years rabbis try to put the pieces together and divine God's will. Pretty imaginative, huh?

In all fairness to Morrow, he did have an interesting concept; he should have run with it. Without the law of God, the Jews almost certainly would not have survived as a distinct people. Without Judaism, Christianity and Islam would not exist. Today, we could well be worshipping Zeus or Mithra or Odin. At the very least, Charlton Heston's career would have been quite different.

What Might Have Been? does contain a couple of real gems. James P. Hogan's "Leapfrog" is, to my knowledge, the only story ever to use the Austrian theory of the business cycle as a key plot element. Set in the next century, "Leapfrog" is the story of how the Soviet Union colonized outer space and who killed the American space program.

The space program also plays a part in Larry Niven's "The Return of William Proxmire." An homage to the late Robert Heinlein, Niven's story contains all the elements of great science fiction: time machines, spacecraft, deceit, trickery, and a United States senator. To say anything more would spoil it for the reader, but take my word for it, "The Return of William Proxmire" makes up for the bad stories in this collection. It alone is worth the price of the book.

Assistant Editor Charles Oliver has been known to attend science fiction conventions.

Book Hints

For many, the American West conjures up romanticized images of cowboys and cattle drives. But for others, the West—with millions of acres under federal management—stirs different passions. Who should have access to these lands? On the one side are commodity producers, those in search of oil, minerals, timber, and grazing lands. On the other are environmentalists competing for the same lands. C. Brant Short explores the policy issues that have sprung from this tension over the past decade. In **Ronald Reagan and the Public Lands: America's Conservation Debate, 1979-1984** (College Station, Tex.: Texas A&M University Press, 178 pp., $27.50/$13.95), Short looks at the debate over how public lands are to be used, offering an excellent depiction of the opposing political and philosophical views.

In **Privatisation & Competition** (London: Institute of Economic Affairs, 239 pp., £9.50), edited by Cento Veljanovski, the contributors examine the interplay among privatization, competition, and regulation, using the British experience as a model to shed light on the "trade-offs, tensions and the probable consequences of the sacrifice of market forces and competitive pressures in Britain's privatisation program."

Modern technology has introduced methods of enhancing individual freedom, but those same technologies, abused in the hands of governmental authorities, can seriously erode personal privacy. Political science professor David F. Linowes explores the issues raised by government and corporate efforts to obtain and keep records on individual citizens in **Privacy in America: Is Your Private Life in the Public Eye?** (Urbana-Champaign: University of Illinois Press, 191 pp., $19.95). Linowes offers an excellent, and often sobering, assessment of the dangers to personal liberties that result from the explosion in recordkeeping made possible by computers and suggests ways in which citizens can safeguard their privacy. **—L.S.**

LAST TEMPTATION FOR CENSORSHIP

BY THOMAS W. HAZLETT

Apparently former Redskin John Riggins had the right idea when he pinched a piece of Mrs. O'Connor's fleshy parts at a posh soiree a couple of years back and solemnly advised: "Loosen up, Sandy baby." Even with a pint-and-a-half down the chute, it was a gutsy move for the Washington running back to make with absolutely no blocking out in front. But more important, it has apparently proved a pivotal point in U.S. legal policy. Not only "Sandy baby," but the entire U.S. Supreme Court, has really let it out.

My favorite recent decision was the discovery of one's legal right to bar-b-que the Red, White, & Blue. The decision had the primary ingredients of greatness: a huge principle (that's why they made it the *First* Amendment), a seemingly tough call, and a Public Reaction Coefficient in the billions. All the old superpatriots are out on their front porch rockers wheezing and jeering, firm in the knowledge that Madison never intended some longhaired weirdos to light up Old Glory without the law stepping in, or at least some trucker with a beer-gut the size of a Plymouth punching their lights out.

The pols have alertly taken their cue and fed the hystericals with raw meat. Bush's proposal to amend the constitution so as to illegalize flag burning can only be compared to tripling the defense budget on the grounds that Burma has just added a new blowgun to its arsenal. Writing little footnotes into the First Amendment on the order of "Congress shall make no law abridging freedom of speech, or of the press, *excepting where the commie rascals get so far out of line as to sizzle that sacred flag of ours*," will fuel movements of every political stripe wanting to eliminate just the "extreme" forms of expression that they find appallingly offensive. Indeed, the learned scholars of the U. of Michigan and Leland Stanford, Jr. U. have already whacked the bejeesus out of free thought by declaring racially insensitive speech (as determined by the aggrieved) a crime against the people. Offending people is what free speech inevitably does; elsewise the right to free speech would be a superfluous use of constitutional ink. Totalitarians belong to many religions, but they all worship at the same unforgiving altar.

The reaction to the Supreme Court verdict proved that people can fervently disagree and still *all* be wrong. The Revolutionary Communist Front officionado who won his case in the highest court immediately denounced the ruling as proof there is no freedom in America. Fortunately for the lad, indecipherable *non-sequiturs* are also a form of protected speech under the First Amendment.

But before the spoof on this poor young intellectual could begin, President George Bush finally got ahold of this vision thing and found that the "solution" to First Amendment rights was: Pass a Law. While George should be given a Freedoms Foundation medal for missing the point—the Bill of Rights was crafted specifically to keep the politicians from pandering to mass sentiment by cutting corners on individual rights—the show was almost worth the constitutional cost. Here's the preppie president babbling on about rewording an absolutely wonderful document with over 200 years of reliable service (and what *true* American would not think so?), prompting the Democrats to cower and wriggle in electoral megafear.

The advantages of living in a society where obnoxious sentiments are given every conceivable degree of latitude are abundant, even to those who would never deface a flag any more than by affixing a plastic replica of one to the rear window of their Japanese automobile. Take the happy American experience last year with *The Last Temptation of Christ*, a very handy case in point advanced by Mr. Patrick Buchanan in establishing that it's been a rotten 12 months for just good ol' boys who don't like what them left-wing types are doin' and sayin'.

Before the movie was released by Universal, some of the professionally "disturbed" in the religious community (Campus Crusade for Christ) offered to pay the studio everything it had invested in the film if it would just hand over the negatives. Universal, in business to do at least marginally better than breakeven, said no, and proceeded to take out newspaper ads publicizing the offer and their turndown as a demonstration of the fact that "freedom of speech cannot be bought and sold." Of course, they were seriously embellishing this part of the ad campaign; they would have been as fast to sell out this property as any other in inventory had the *right price* been offered.

The fact that it wasn't is an indication that the value of the flick to moviegoers was higher than it was to the Christians. And so the market worked: The theaters ushered in the curious to see the Blaspheme on the Big Screen, the fundamentalists got to protest this ignominy (without the noisy picketers at the Tower Theatre in Sacramento, I would have missed the event altogether), and the law clearly stated that the show must go on.

A hard-and-fast rule against censorship saves the principle and economizes on much heartache along the way. Lucas Powe has brilliantly opined that "as Justice Jackson noted in a different context, the first amendment 'was designed to avoid these ends, by avoiding these beginnings.'" John Riggins may never have learned it, but perhaps the Supreme Court is figuring out when to say when. On regulating speech, they should say it early, so they don't have to say it often.

Contributing Editor Thomas W. Hazlett, whose column will appear monthly in this space, teaches economics and public policy at the University of California, Davis.

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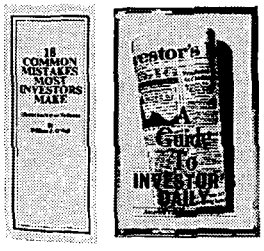

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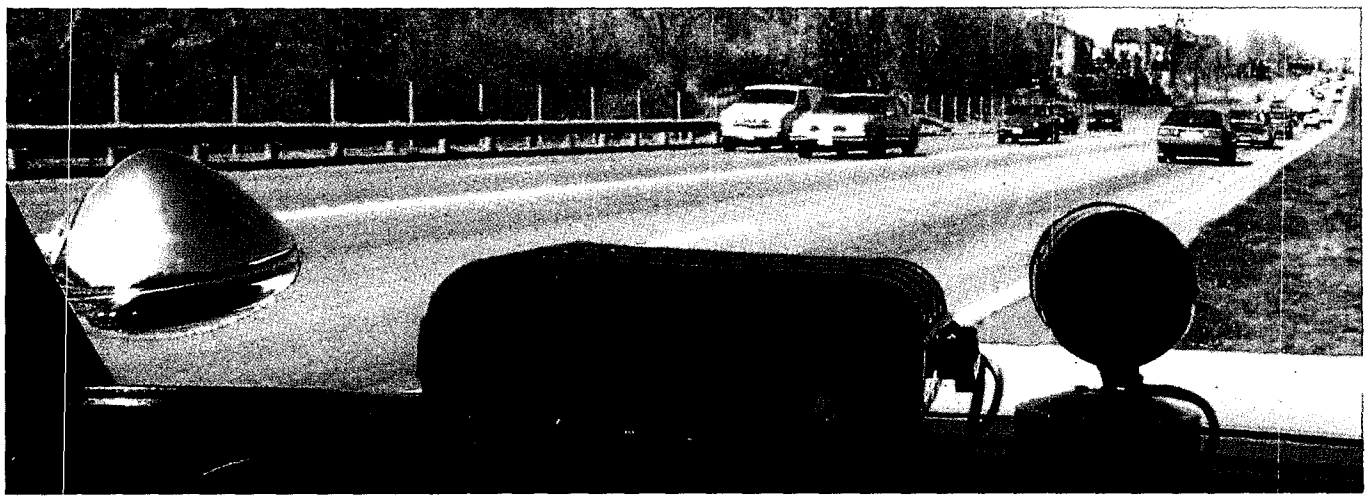

Traffic radar doesn't say which car is being clocked, it merely flashes a number. The radar operator must then try to determine which vehicle produced the reading.

Why radar makes mistakes. How to protect yourself.

Although nine different errors have been documented for traffic radar, the most common source of wrongful tickets is mistaken identity.

It's hard to believe, but traffic radar does not identify which vehicle is responsible for the speed being displayed. It shows only a speed number and nothing else. The radar operator must decide who is to blame.

How radar works

The radar gun is aimed at traffic and it transmits a beam of invisible radar waves. Each moving object within range reflects these invisible waves back to the radar gun. Using the Doppler principle, the radar calculates speed from the reflected waves.

Traffic radar is blind

Traffic radar works differently from military, air-traffic-control, and weather radars. The others use rotating dish antennas in order to track many objects simultaneously.

Traffic radar uses a far smaller, far cheaper, gun-shaped antenna. This simplification requires traffic radar to ignore all reflections but the strongest. The number displayed is speed calculated from the strongest reflection.

The best guess

Remember, these reflections are invisible. Truck reflections can be ten times stronger than car reflections. How can the operator know for sure which vehicle is responsible for the number?

The truth is, he can't be sure in many cases. The result is mistaken identity. You can be ticketed for somebody else's reflection.

Self defense

The only way to defend yourself against these wrongful tickets is to know when radar is operating near you. Others agree with this method. In his verdict upholding a citizen's right to use a radar detector, Judge Joseph Ryan, Superior Court, District of Columbia, wrote:

"If government seeks to use clandestine and furtive methods to monitor citizen actions, it can ill afford to complain should the citizen insist on a method to effect his right to know he is under such surveillance."

We can help

We specialize in radar warning. And Escort and Passport do far more than simply find radar. Upon radar contact, the alert lamp responds and the meter shows radar signal strength. At the same time, you will hear an audio warning —pulsing slowly when the radar is weak, quicker as it strengthens, then constant as you approach close range. When you know exactly how strong the radar waves are, you'll know when the radar unit is near enough to actually have you under surveillance.

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